Canada's Independent Radio Industry (p. 13-20)

THE FINANCIAL POST

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The Nation's Business

Showdown Needed In Manpower Crisis

Hon. C. D. Howe has asked that there "be no further speculation" with respect to how Canada's new war production program is going to work out, as to what plants are to be affected, as to what workers will be going to new jobs.

The public, justly alarmed, at a threatened waste of manpower during a critical stage of the war will not be satisfied with this sort of evasive strategy. While there is any shortage, actual or potential, in a single war material including food, there should not be the slightest delay in transferring workers from one job to another.

A frank and full statement as to the full implications of the new war program with assurance that there will be no wastage of manpower should be given by Mr. Howe or Mr. King at the earliest possible moment. Saying nothing, or explaining inadequately or chastising the questioners only adds to the speculation, foments unsettlement, damages morale and production.

From what war workers and others have seen of its workings to date, there are very real grounds for the gravest doubt as to the capacity and energy of National Selective Service to handle the large, impending transfers promptly, wisely or efficiently.

There have been delays in filling serious shortages of labor in certain war industries, particularly where transfers from one living point to another were involved. There has been little appreciation of the seriousness of the farm labor problem. And not until well into the fourth year of the war has there been any real attempt to draft workers from non-essential industry. As Defense Minister Ralston bluntly admitted in Parliament this week, we are "really just beginning" to ration our manpower.

Workers, managers and all Canadians have very real cause to be concerned about confusion, delays and enormous wastes of productive capacity which can easily result unless this new conversion program is handled expertly and courageously.

What Mr. Howe should be demanding is not that people stop talking about something everybody now knows is going to happen, but that National Selective Service be directed, organized and staffed in a manner which would win the confidence and respect of the Canadian people.

• • •

CANADA MEETS INFLATION CHALLENGE

Canadians have met the challenge of inflation.

Over 40% of the Fourth Victory Loan or $500 millions was subscribed by 2.5 millions of small individual lenders, roughly a quarter of our entire population.

This is a magnificent achievement, unparalleled in the history of North American finance. It represents a gain of 25% in small investors over the Third Victory Loan and an increase of a third in total amount of money loaned.

Some idea of the magnitude of the accomplishment is realized from the fact that in the corresponding American loan just concluded, only 11% of the total amount asked, compared with our 40%, was subscribed by the individual investor.

One significant fact emerges from the recent campaign. The average citizen—the men in the armed services, the war workers, the white collar salaried man—has been convinced of the emergency facing us. He realizes the dire need for money to prosecute the war and the perils of inflation if that money is not raised through taxes and public borrowing. The National War Finance Committee has brought that point home to the man on the street as it was essential that it should do so. Members of the committee and the thousands of voluntary workers whose aid was vital in putting over the loan deserve the country's thanks.

• • •

CAN WE AVERT COAL CRISIS?

Most important fact about the national coal emergency declaration is the hope and expectation that the government is at last going to get tough about the manpower problem.

It is no new thing to any informed Canadian (let alone to the thousands who shivered for weeks without fuel last winter) that an emergency condition has persisted in the coal industry for a long time. In the face of a steady and sharply rising demand, the production of Canadian coal since the war has been either stationary or declining. In order to meet our needs we have had to depend increasingly on U. S. imports.

Now the fear looms that Canada may find this source of supply cut off or restricted between now and next spring. This fear, more than anything else, apparently, has brought the government to a realization that there can be no more trifling with the mining manpower problem.

Many months ago mining labor was supposed to have been frozen, but because the legislation lacked real teeth the drift from the pitheads continued. From the tone and wording of the latest order-in-council it would appear that the government at last realizes the seriousness of the situation and is prepared to strengthen its policy.

It is to be hoped that the new determination will stick and that it will spread to other branches of essential industry.

• • •

IS CENSORSHIP RIDICULOUS?

Trying to lash up enthusiasm in a ward rally in Toronto, T. L. Church, M.P., is quoted as declaring that the people of Canada were not being told the "real facts" about the conduct of the war and that there exists a "ridiculous censorship by a lot of amateurs."

Is wartime censorship ridiculous? No sensible person would accept that. Censorship is an indispensable weapon of warfare.

Is Canada's censorship "ridiculous" and run "by a lot of amateurs"? Mr. Church doesn't know what he is talking about.

Press and radio censorship in Canada is handled almost entirely by men of long experience in the business of handling news and views. If Mr. Church meant that they are amateurs at withholding facts, he would be right. But Canada's press censorship staff has shown itself imbued with the aim of giving the public as much information as promptly as possible and to withhold only that information which common sense and expert advisors on military supply and intelligence matters show clearly to be desirable.

Canadian censorship has sometimes erred. It has had staff men who have sometimes erred in suppressing for a few days or a few weeks facts which thousands of Canadians knew and which enemy intelligence certainly did. Censorship has perhaps erred in some cases in letting too many facts be known too soon.

People who know the workings of censorship intimately in this country, and those who can compare it with censorship in Britain, the United States and elsewhere, very readily testify to the general good sense and efficiency of the Canadian censorship and to the frankness and fullness of the war reports regularly given distribution to the Canadian public.

New Ruling On Air Lines A Precedent

Transport Commissioners Refuse TCA Local Service Application

By STAFF WRITER

OTTAWA.—A judgment of interest to the future of civil aviation in Canada has now been handed down by the Board of Transport Commissioners of Canada.

This gives Trans-Canada Air Lines permission to extend transcontinental air service on a through-line basis from Vancouver to Victoria. It refuses permission to TCA to operate a local service between these points in competition with the already operating local service of Canadian Airways (subsidiary of Canadian Pacific Air Lines).

TCA had asked for a license to operate both a through and local service between Vancouver and Victoria.

The judgment (which was unanimous) is important for two reasons:

1. TCA is still in the same position as any ordinary competitive carrier when it comes to application for license before the Transport Commissioners.

(TCA has already been granted permission by government order-in-council on Dec. 31, 1942, to extend its transcontinental service to Victoria; but before this permission was valid it had to be accompanied by a license from the Transport Commissioners).

2. The "rights" of air line services now operating "local" services cannot be wiped out whenever the government-owned concern wishes to establish "main line" service.

Explains Decision

In the stated reasons for the judgment, Chief Commissioner J. A. Cross pointed out that "this is the first occasion on which the context of either the Trans-Canada contract" or a contract for the transportation of mails of TCA had been brought to the notice of the board.

The Commissioners expressed the view that in their opinion "local need" between Victoria and Vancouver was already being adequately met by existing forms of transportation by air and water and that there was no substantial public need for an additional local air service between these two points.

It was found that "to permit the transport by Trans-Canada of local

(Continued on page 2, col. 2)

Restoring Power To Quebec Mills

From Our Own Correspondent

MONTREAL. — Prospects continue better than average that some, if not all, of the power taken away from the Quebec pulp and paper companies will be returned next month. No change is expected in the Ontario situation.

No date has been fixed for the return of power. For the first time in history the flood waters of the Saguenay and St. Maurice Rivers have come down at the same time, creating a problem because of the interswitching of power between the two areas. Until the water situation and other matters are cleared up, the decision on the power return is being held up.

MUTUAL AID ADMINISTRATOR

—Harris & Ewing photo.

Administrative head of Canada's new Mutual Aid Board is Karl C. Fraser, 43-year-old economist. An executive of National Trust Co., Toronto, he went to Washington as an official of the British Supply Council, winning wide recognition and a position of high confidence with supply representatives at the U. S. capital. He is regarded as an outstanding authority on every phase of supply in munitions, food and other materials of war. Born in Truro, N.S., he enlisted during the last war but was too young to get into active service. He studied economics at McGill and the University of Toronto.

Elson from Washington

Spotlight on 'Forgotten Front'

By ROBERT T. ELSON

● Speculation here now leans toward the belief multiple attacks on many fronts rather than one grand assault may be the United Nations immediate program in the European theatre.

And in the Pacific? Clean up in the Aleutians now under way comes first, followed by action next fall in Burma to relieve sorely tried China. Americans are becoming increasingly impatient for more action against the Japs.

So far there has been little indication of Canada's share in these grand offensive plans but undoubtedly Mr. King was told something of the decisions taken by the President and Prime Minister Churchill during the visit this week. The Canadian Prime Minister is the only other allied leader to attend three of these Roosevelt-Churchill conferences.

Certainly if these multiple attacks are launched, Canadian forces would probably be given a share in the task if Mr. King asked for it, transport were available and the Canadian equipment right for the particular job. There have been suggestions Canada may also be given a wider role in the Pacific theatre.

There is no confirmation here for such a suggestion but, looking ahead, Canada's postwar relations with the United States should benefit if the Dominion could make its contribution to a war the Americans feel is peculiarly their own. Mr. King cannot be unaware of this—no Canadian in Washington can be unaware of the growing impatience of the Americans to take a real "crack at the Jap." This is an emotional thing, divorced from logic perhaps, but very real.

● A debate flared up in the Senate this week when Senator Chandler, Kentucky, pre-Pearl Harbor supporter of President Roosevelt's policy, brought up again the whole question of the United States being left alone to fight it out in the Pacific. He made such statements that 2 million British soldiers in India would not attack 60,000 Japanese in Burma. He was challenged, it is true, but there was a disturbing response from the old-time isolationists and certain Republicans, enough to indicate a good many Americans dissent from the "Beat Hitler first," strategy of Roosevelt and Churchill.

- **U. S. Opinion Favors Strategy of "Multiple Attack"**
- **Chandler's Revolt Reflects a National Attitude**
- **"Scheduling"—WPB's Latest Production Improvement**
- **Proposals for Standardization and Simplification Revived**
- **Shift in Production of Weapons for Victory Accelerated**

Chandler said he was "encouraged" to make his attack—later even the reliable Associated Press carried a story on its main wires suggesting that American military men may have done the "encouraging." This incident is important only because it illustrates the continual pressure on the President and on the whole of his administration to swing American emphasis into the Pacific. It is a pressure too little appreciated in London and in Ottawa. Even Mr. Eden when he was here remarked upon it.

Canadians who stand midway between both countries should appreciate it and weigh it in appraising developments here.

● On the production front, the War Production Board indicated this week a move to set up a new plan for scheduling production of the critical components needed for the various programs here. "Scheduling" is Washington's latest miracle word which can be translated as planning production on an industry-wide basis — in other words, spreading out the orders so that the various components flow as needed to keep the production lines rolling.

This is the "baby" of Charles E. Wilson, Nelson's deputy on the

(Continued on page 2, col. 7)

Ottawa Acts To Prevent Coal Famine

Order Directing Workers Back to Mines Indicates Stiffening NSS Policy

By STAFF WRITER

OTTAWA.—As the ugly threat of continent-wide coal shortage rears its head, Canada has now taken the most decisive and forceful manpower move since outbreak of war in requiring all ex-coal miners now in other Canadian industry to return to the pits.

At last it looks as if the government had stopped fooling and was ready to get down to a brass tack manpower policy—at least in this one industry.

Behind this order is apparently a combined and united determination to lick the grievous and long-troublesome problem of declining coal production.

Whatever may have been the earlier argument and difference of view behind closed cabinet doors, the armed services, National Selective Service, Department of Munitions and Supply and other departments are now reported as agreed that the time has come to get tough and halt the continued flow of miners away from the pits and into the armed services or more lucrative war jobs.

To this end it has now been made mandatory on all employers to de-

(Continued on page 2, col. 6)

U. K. Seeks More Fish From Nfld., Canada

Request Under Consideration But Ottawa Believes Amount Asked is Beyond Supply; Dealers Worry About Domestic Shortage

By STAFF WRITER

OTTAWA.—Important discussions are now under way between Canada, Newfoundland and Great Britain which involve the sending of greatly increased quantities of frozen and fresh fish to the United Kingdom this year. This is the first time that the U. K. has approached Canada for a contract to supply large quantities of this foodstuff.

Because of the scarcity of other foods Great Britain has made this special request of Canada and Newfoundland for a vast amount of fish fillets. The quantity requested is beyond the capacity of both countries to supply.

It arises because U. K. has given high priority to "fish and chip" restaurants which provide "ready-to-eat" nourishment at low cost for munition workers. The request has come jointly to Canada and Newfoundland and is now under consideration.

Normally Canada retains only one third of her output of this type of fish in the domestic market. The remaining two thirds is exported, largely to the United States. Domestic consumption in normal years is about 60 million pounds.

With shortage of meat and other foods, Canadian fish authorities would welcome the opportunity to greatly extend the consumption of fish in Canada.

It is contended, moreover, that most of the increase in U. K. demand should be met not out of the share that Canadians consume at home but out of the share that is normally exported.

Compromise Expected

Some compromise will undoubtedly be reached which will take into consideration not only questions of price but also the minimum "needs" of Canadian consumers.

According to figures released by Hon. J. L. Ilsley in the House of Commons last week, in connection with the Mutual Aid bill, Canada shipped last year to Britain a relatively small quantity of fillets and fresh fish. The total shipments in the last nine months of 1942 were stated to be about four million lb. valued at $486,000. These shipments were made privately.

Largest shipment, of course, was in canned salmon. In the same nine month period these shipments were given as 738,000 cwt., valued at $13.9 millions. This was virtually the entire Canadian pack.

This year negotiations are under way which would permit us to retain in Canada a certain portion of the pack. There is little hope, however, that there would be anything short of perhaps some "tips and tails" for Canadian domestic consumption.

All Canada's herring pack will be sent again to U. K. it is expected, when present negotiations are completed. Shipments in the last half of 1942 were reported by Mr. Ilsley as 493,000 cwt. valued at $4.4 millions.

Work Transfer Orders Likely to be Extended

By KENNETH R. WILSON

OTTAWA.—Extension of Canada's compulsory transfer order to the entire retail trade as at mid-June marks the most important step yet taken to prepare the way for an effective policy of national selective service.

As nearly as can be estimated, there are possibly 150,000 men now employed in Canada's retail establishments. This probably is 10 times the area covered by the first transfer order, which covered only a few thousand persons.

How many of these 150,000 persons are of draft age is anyone's guess—possibly less than half. In all, therefore, it is probable that the two orders combined do not affect more than about 75,000 to 100,000 persons.

But Labor Department officials maintain that the number of persons affected by these orders is not the vitally important thing. What is happening here is that piece by piece Canada is now taking a complete inventory of its manpower to see what trades and occupations are "hoarding" men who are of age or quality to be shifted to more essential work.

The present examination of Canadian manpower (which so far has affected only a few stated groups of occupations and industries) is going to be extended not only from the bottom up (through low priority occupations and industries) but is going to be equally extended at the top through high priority industries so that manpower hoarding by essential industries will be under just as close a review as that by industries of low wartime priority.

Compulsion "Last Resort"

Another point is that while the present examination of manpower in low priority groups is backed by powers of compulsory transfer, the element of compulsion is still being held as largely if not entirely a last resort weapon.

In the initial compulsory transfer order a number of groups named immediately descended on Ottawa to prove that they were engaged in work which had some definite relation to the war effort.

Typical was the dry cleaning group which made representations here a few days ago. Ottawa's answer to this and similar groups was this: Yes, we know your business is not by any means completely unessential, but what we are primarily interested in is the extent to which you have gone through your business to make sure that no men who are of eligible draft age, or who are capable of specialized work of a higher war priority, are being used in jobs which might be done by less useful people.

Want Women Used

The group was asked point-blank, for instance, what if anything had been done in that particular industry to replace men drivers of dry cleaning and laundry delivery trucks and vans with women. It was pointed out that in the armed services most of this type of work was now being done by women. What had the industry done in the same direction?

In short, what Selective Service officials are now engaged in is a country-wide attempt to examine the status and responsibility of every able-bodied male in Canada with a view to seeing what economies in manpower can be achieved.

With this in view, quarterly registrations are being taken of all civilian employed persons and now all persons of military age who are not in the armed forces by reason of health, but who are liable to draft are to be scrutinized and made to report.

By law such persons are subject to draft into whatever essential employment is available.

Plan Changes In Priority Regulations

Several important revisions in the priorities system will become effective for the third quarter of 1943, The Financial Post learns.

Recent announcement of Controlled Materials Plan Regulation No. 5 in the United States heralded complementary changes in Canada. A section of this regulation which deals with maintenance, repair and operating supplies, specifically states that the priority setup established for this type of material can also be applied to Canada on approval of the Department of Munitions and Supply.

Actually, Canada started its modified Controlled Materials Plan in the second quarter. This is to become fully effective beginning July 1. One apparent result is going to be that Canada gets an overall allotment of controlled materials, such as iron, steel and other metals. These will be distributed to users in this country according to Canada's own system.

Program Classification

Other changes expected to come soon include adoption of a program of classification which will operate in conjunction with CMP. This will resemble in some respects the former "end use" allocation, which was thrown out last December. The main difference will be that, instead of noting the end use of the materials requested, the particular programme to which they are to apply must be stated. Final definition of what is included in a particular program is still being determined but it will likely be divided into such classifications as aircraft, naval or cargo shipbuilding, ammunition, transportation, construction or maintenance and repairs.

Exclusively Canadian forms, to be used under full operation of Canada's modified CMP, will include Priority Officer's Order No. P04 for this program classification system and PO 5 to cover maintenance, repairs and operating supplies.

The Business of Farming

Wet Weather Adds to Troubles

Situation Serious But Not Alarming in Parts of Eastern Canada

By GORDON L. SMITH

City people in many parts of eastern Canada, who have scarcely seen the sun shine for a full day in the last month, are beginning to entertain the most dire forebodings about next winter's food supply. They see their Victory gardens sites nothing but mud puddles and fear the worst. Those farmers who see the month of May flitting away with hardly a sodden field sown yet, while less pessimistic, are getting anxious.

But the general agricultural situation in Canada, according to the authorities, is not nearly as serious as these people in the wet belt imagine.

Good For Grass, Anyway

In the first place the cold, wet and backward spring which has hampered operations so seriously in parts of eastern Canada has not been general throughout the country. In many areas, including the Prairie Provinces, the season is about normal with much seeding completed, and some has been done on the higher and dryer land even where rain had been heavy. Moreover while general spring seeding in rain soaked Old Ontario is now from two to three weeks later than usual, it is pointed out that at least one third of the total area of farm land is not sown at this season anyway. It is in grass and clover for hay and pasture and grass, as anyone familiar with a lawnmower realizes, has been growing at an amazing rate in the last month. This means plenty of cheap rough feed for livestock, especially dairy and beef cattle.

Aggravates Labor Shortage

One serious aspect of the present situation is the fact that every delay in farm work aggravates the acute labor shortage. There is just so long a period when seed grain may be sown with any hope of satisfactory results. The deadline in most parts of the country will be around the first of June.

When wet weather prevents farmers getting on their land before the last week in May, as has been the case in much of Old Ontario, then all the work of cultivating and seeding must be crowded into a few days or it will be too late. Obviously with about 25% less experienced farm labor in the country than normal, and with machinery none too plentiful such crowding is not going to be easy.

The alternative will be to sow many late fields with special crops that mature more quickly than spring grain. Millets, corn, roots, buckwheat, etc., are in this category. None of them is quite so satisfactory as spring grain, both from the standpoint of utilization and handling, and the catch is that seldom would there be enough seed available for large scale use. And this year seed is generally scarcer than usual.

Moreover, two of the alternative crops mentioned, corn and roots, require a great deal of extra labor for cultivating and extra labor, of course, is not just non-existent this year.

Drought Would Be Worse

But admitting these handicaps, the optimists point out that by and large Canadian farmers have much more to fear from droughts than wet weather. As mentioned previously the latter boosts hay and pasture whereas in a really dry season, nothing grows.

If necessary those farmers in the wetter areas of eastern Canada can concentrate on hay, pasture and fodder crops and for much of their feed grain, draw on the still substantial accumulated reserves in western Canada. Even last year, when crops were exceptionally abundant in eastern Canada a large quantity of western grain was shipped into Ontario, Quebec and the Maritime Provinces. If transportation can be arranged, still more could be brought down this fall and winter.

Little Actual Damage So Far

As for actual loss through excessively wet weather, that has been small, almost negligible so far. Flood damage to crops in most of Canada is usually more dramatic than real. There has been some market garden stuff drowned out in low lying areas, a little fall wheat weakened or killed from pools of water which have accumulated and remained for a week or so. Actually, however, late heavy frosts did more real injury, especially to early potatoes in Ontario. Biggest threat is further delay. Given a few days of continuous dry warm weather authorities are certain that a tremendous amount of grain will still be sown even in the wettest sections, but that break is needed within the next ten days.

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New Ruling On Air Lines

(Continued from page 1)

traffic between Vancouver and Victoria would result in unnecessary duplication of air transport service between these two points in respect of such traffic and would not be in furtherance of the objects of the Transport Act, 1938."

Counsel for Canadian Airways made no objection to the extension of TCA transcontinental services from Vancouver to Victoria and in fact indicated its willingness to co-operate in such an application and in the application for handling of air mail traffic by TCA between the two points.

However, it was maintained that to grant TCA a license to operate a local service between the two points would mean eventually driving the Canadian Airways out of business, since it did not seem that both company's could profitably continue to operate.

U. S. LINES POSITION

WASHINGTON.—Eighteen U. S. airlines, including four that operate into Canada, this week told the U. S. Civil Aeronautics Board they vigorously oppose any form of government participation in management, or ownership of American flag carriers.

They also object to instituting international air transport operations conducted in whole or in part through internationally owned and controlled government corporations. These companies insist private management and initiative are capable of successfully upholding the role of the United States in postwar international air transportation.

The list of signatories to this joint questionnaire includes the most important air lines in the United States. The lines which have interests in Canada are United Air Lines; Colonial Airways (formerly Canadian Colonial) Northwest Airlines as well as American Air Lines, Transcontinental and Western Air as well as the Export Line which has a trans-Atlantic run.

The policy endorsed by these companies is opposed to that enunciated by Prime Minister King who told Parliament TCA would carry the Canadian flag abroad and would remain a government corporation.

The statement urges U. S. officials work out immediately a reciprocal exchange with other countries of the general right of innocent flight, together with the right to land for refueling and other technical purposes in international air transport. This right of innocent transit is basic, they say, to development of international air transportation and leaves open for later negotiation and agreement the question of right to engage in commerce by air.

DIVIDEND NOTICES

THE WABASSO COTTON COMPANY LIMITED

NOTICE OF DIVIDEND

A quarterly dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of The Wabasso Cotton Company Limited, payable on the 1st July, 1943, to Shareholders of record as at the close of business on 1st June, 1943.

By Order of the Board.

H. W. CAPEL,
Secretary-Treasurer.

Montreal, Que.
13th May, 1943.

The War and Business

By BRUCE MacKINNON

Canadianized Version

Meat rationing, expected to come in this week, has been closely studied by WPTB and all those connected with the trade for some time. In contrast with the U.S. scheme, two coupons per person a week will replace the cumbersome point system, and the chief educational effort is being directed toward the butcher, not toward the housewife. WPTB feels that the butcher is easier to teach and is most directly affected.

Butchers who fail to cut their meat according to the approved pattern will likely find themselves running short on coupons, ultimately be unable to replace their stock since they only get meat on presenting coupons. The WPTB charts for cutting up carcasses do not involve abolition of existing cuts, simply define them (and their coupon values) more accurately. A shrinkage allowance of 5% is to be provided, but it is expected that butchers will tend to cut off two small rather than too large pieces for their own protection. Where this occurs, sausages, hamburger, maybe a strip of bacon, will be used to "make change."

* * *

Double Victims

Caught coming and going by meat rationing will be certain types of delicatessens. As processors of meat into bologna, etc., they come under a quota, as do restaurant proprietors. As sellers of cooked roasts, etc., they rate as butchers and will have to demand ration coupons.

In similar plight is the lumber industry. Men in the camps are fed from 8 to 10 lb. of meat a week and a reduction to 2 lb., it is claimed, would seriously interfere with production of much needed lumber. Operators are said to be willing to cut consumption 20%, but oppose an 80% cut from normal.

* * *

New Canadians

Because so many Canadian soldiers in Britain have married English girls (in Sussex alone there have been more than 7,000 marriages and 3,000 babies born) the Army and the auxiliary services are helping their English wives to learn about Canada and Canadian conditions. "Get-together" clubs have been formed through which the new Canadians are able to attend lecture courses and see Canadian motion picture films.

* * *

Trouble in N.B.

R. G. Fulton, chairman of the New Brunswick Liquor Commission, is now introducing a new system to prevent lineups in front of liquor stores. These lineups got so long they blocked the entrance to business places and brought complaints from the drys. Fulton's resignation was demanded by the ministerial association of Saint John, although he himself is a parson.

Fulton's story was that there wasn't enough liquor in New Brunswick to ration. He had stores sell a daily quota of so much. The stores were open for a brief period in the morning—until the morning quota was exhausted—and a brief period in the afternoon—until the same thing happened. It meant would-be buyers had to line up about an hour before a store opened to get a bottle. Working citizens didn't have the time, so bootleggers reaped a harvest. Charwomen quit their jobs to line up twice a day, made more money that way than they could have scrubbing floors. So did a great number of men in low-paid casual labor. An epidemic of bootlegging broke out, which is only expected to end when Fulton's new system begins to operate.

* * *

Just Visiting

An observer in Britain expects to see a large number of British tourists coming to Canada and the United States after the war. There will be little desire to travel on the continent again for a number of years, as the British are able to see enough blitzed cities without leaving home.

On the other hand, he does not expect to see many British industrial firms migrate to Canada "lock, stock and barrel" as has been occasionally predicted on this side of the Atlantic, and with the British Government already concerned about underpopulation, he does not expect to see the Government take a very active interest in permanent emigration to Canada.

* * *

Fast Recruiting

Recently German occupation authorities in Norway reported proudly that the Germanic S.S., a Quisling corps, had grown so rapidly since its formation last August that it now numbered 150 members. But according to the Norwegian Government, the corps has been in operation since May, 1941, only changed its name (from Norske S.S.) last August. The 150 members represents the fruit of two years' recruiting pressure.

Quadruped Still Vanishing

Despite an apparently wide open field, the humble horse has failed so far to come back into his own. Lack of gas, shortage of tires and rationing of farm machinery haven't changed the pre-war situation much, according to dealers. Horses are still second choice in transportation and delivery, and it looks as if they will remain so. The Repository, in Toronto, one of the most important clearing centres in the Ontario area, reports some 58 or 60 sales per week; quality is good, but prices are down.

Turnover is about the same as last year's. "Farmers haven't enough help," is how the slow market is explained. Each new horse requires more time spent looking after it, and time, in the present labor shortage, has become the farmer's most important commodity.

Another difficulty is the country-wide shortage of harness, particularly for farm animals. Not only the metal parts, but the leather for new manufacture appears to be lacking.

* * *

Visibility

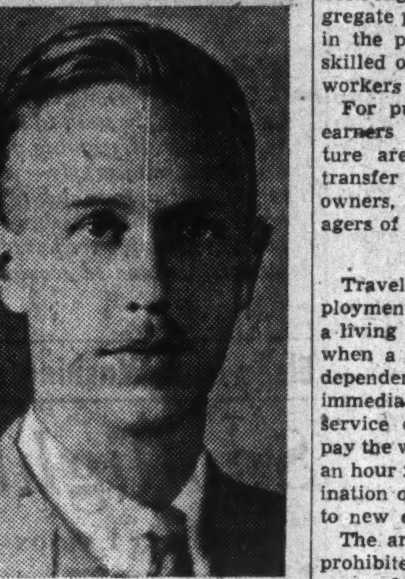
Airline pilots are constantly asked by passengers how far one can see from the plane's windows. Mostly the answers have been educated guesses, but when a passenger 20,000 ft. over Brazil stated that she could see the coast of Africa, Pan American Airways decided it was time to do something more formal about it. Here is the table they worked out:

At 1,000 ft. you can see 39 miles.

2,000 ft.: 55 miles	10,000 ft.: 123 miles
3,000 ft.: 62 miles	15,000 ft.: 150 miles
4,000 ft.: 77 miles	20,000 ft.: 173 miles
5,000 ft.: 82 miles	25,000 ft.: 194 miles

To have seen Africa, the passenger above Brazil would have had to be more than 38½ miles in the air. The world altitude record is a bit under 14 miles, and it was set in a balloon, not a plane.

A. S. Beaubien



R. B. Ashby

OFFICERS RE-ELECTED

Andrew S. Beaubien, partner in the firm of L. G. Beaubien & Co., has been re-elected chairman of the Montreal Stock Exchange for the ensuing year. R. B. Ashby (right) of Hugh Mackay & Co., was re-elected secretary-treasurer. H. McD. Paterson of Alex. Paterson & Co., is again vice-chairman.

Loan Narrows Danger Gap

Inflationary Forces Checked by Record Bond Sales

By STAFF WRITER

OTTAWA.—There is nothing in war finance history to equal the wallop which Canadians took at Old Man Inflation in the Fourth Victory Loan campaign now ended. When returns are complete it is expected that more than 2½ million subscribers will have purchased about $1,260,000,000 of bonds — a better-than-25% gain over corresponding figures for the Third Loan.

In his budget speech in March, Hon. J. L. Ilsley made it clear that income and other tax rates were nearing saturation point. Increased voluntary lending to the government, he said, must bridge the widening gap between income and expenditure.

The "gap" for 1943-44 was estimated at $2¾ billions—almost half a billion more than in 1942-43.

Preliminary returns for the Fourth Loan suggest that Canadians may come within $300 or $400 millions of bridging the 1943-44 gap by their voluntary purchases of government securities.

This would be a far better job than was done last year. It would mean that something over $5 billions out of Canada's precedent-shattering budget of $5.5 billions would be met by taxes and public borrowing.

More Subscribers

Most remarkable has been the response of individual subscribers. Indications are that their number increased 25% as compared with the last loan, and their subscriptions 33 1/3%.

A total of $375 millions was subscribed by two million individuals in the third loan. Comparative figures for previous loans follow:

Individual Subscriptions to Four Canadian Victory Loans

	No. of Individual Subscribers	Amount of Indiv. Subscriptions† $
1st Loan	968,259	279,500,000
2nd Loan	1,681,267	335,600,000
3rd Loan	2,041,610	374,800,000
4th Loan	2,500,000*	500,000,000*

†Exclusive of conversions and special names.
*Estimated.

If something approaching this increase can be carried forward into the fifth loan next October or November, it is possible (when allowance is made for sales of war savings certificates) that total subscriptions from individuals for the entire fiscal year might hit a jackpot of $1.2 billions.

(There was only one Victory loan in the government's previous fiscal year, but the sum total of individual subscriptions in the two preceding loans was little more than $700 millions. This indicates the step-up in the amount of potential consumer purchasing power which is now being diverted into government securities in Canada).

Special Subscriptions

On the basis of the total rolled up by corporate, institutional and special name subscribers in the last three weeks it looks as if an almost similar amount (about $1.2 billions) might be counted on from non-individual in the 1943-44 year.

In the fourth loan campaign it is expected that subcriptions of non-individuals will soar to $760 millions. This would be a 23% increase over the corresponding total of $616 millions in the third loan campaign.

But even if a like amount were subscribed in the fifth loan next fall, it would be unwise to multiply the $760 millions by two and expect that total subscriptions from this type of sale would amount in the present fiscal year to $1.5 billions.

Why not? Simply that a lot of these bonds will change hands this year and will fall back on the market in one way or another. A lot of these sales (and sales to individuals as well) represent over-optimistic estimates of the amount of government securities that individual corporations or big investors can handle and absorb in between loan campaigns.

Net Loan Results

Just how much should be discounted for this reason is anyone's guess. A rough estimate would be that "net" subscriptions by non-individuals would total over the fiscal year about $1.2 billion.

Since Canada started its fiscal year with little or no "cash" in the till, almost the entire $2¾ billions which Mr. Ilsley has to borrow must come either from Victory loan subscriptions and war savings certificates or from bank borrowings. Last year, Mr. Ilsley had to borrow over $900 millions from the banks.

This year, in spite of a $500 millions increase in the gap between income and expenditure, it looks as if additional bank borrowings might be cut.

(That assumes that Canadians will do as well or better in the next loan and that present estimates of government revenue and expenditure are not too greatly out of line with reality).

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Apr.			July 30, '43	$55,000,000	99.876	.499%
Canada Treasury Bills	May			Aug. 13, '43	55,000,000	99.876	.498%
Municipal—							
McKim Township, Ont.	May	Harris, MacKeen, Goss & Co.	5%	1944-53	10,000	.....	.....

Meat Rationing Problems Seen

Coupon System Effective Next Week — Four Groups of Cuts

Definite date for the start of meat rationing has been set as May 27.

Retailers have until then to get their stocks in shape before rationing begins.

Under the WPTB regulations, cuts of beef, veal, lamb and pork as well as certain cooked and smoked meats are divided into four groups.

Group A, ½ lb. per coupon, includes sliced bacon, side or back, and certain classes of cooked meats. Group B, ¾ lb. per coupon, generally includes different kinds of fresh meat, boneless or with a minimum of bone and certain classes of cured fresh and cooked meats, such as bacon by the piece, ham ready to serve etc. Group C, one lb. per coupon, includes such items as porterhouse steak (bone in), fresh sausage, trimmed ham, etc. Group D, 1¼ lb. per coupon, includes blade roasts of beef; lamb, flank and leg; veal breast, etc. A fourth class, meats containing 50% bone or higher, such as spareribs, will not be rationed.

Don't Expect Surplus

It is expected once housewives find out what are the best buys in the different groups they will go after them consistently. This may mean a shortage of certain cuts and a surplus of others. If a surplus develops, meat being a perishable commodity, the retailer may take a loss, especially if the seven cents a pound gross mark-up allowed proves insufficient. The official view, it is believed, is that the available total supply will not permit of any surplus developing in any cuts.

Retailers are allowed a tolerance of 5% for shrinkage.

That is, they need turn in only 95 coupons for 100 coupons of meat.

They will have to be more accurate in their cutting. Formerly it made little difference, for instance, if they cut a four-pound roast two or three ounces overweight. The computing scale showed the exact value and the customer paid.

But now the retailer can give only the amount of meat covered by coupons. Accordingly most retailers will probably cut under the quantity asked, adding the deficiency later. This he can do by adding any class of meat in the same group as the main cut, or "making change" in sausages, etc.

RE-ELECTED TAA HEAD

A. P. Darcel, advertising manager of Crane Ltd., who has been re-elected to the presidency of the Technical Advertisers Association, Montreal

Ottawa Acts To Prevent Coal Famine

(Continued from page 1)

clare by June 2 the names of all ex-coal mine workers in their employ. After June 1 no ex-coal mine worker shall continue in any other occupation or employment without written permission of a National Selective Service officer.

Former coal mine workers are described as male persons between 18 and 65 who since Jan. 1, 1935, have been engaged or employed for an aggregate period of 24 months or more in the production of coal either as skilled or unskilled mine or surface workers or as maintenance workers.

For purposes of the order wage earners now employed in agriculture are to be deemed liable for transfer back to the coal mines but owners, tenants or full-time managers of farms are exempt.

Allow Expenses

Travelling expenses back to employment offices are provided, plus a living allowance up to $7.50 a day when a man is separated from his dependents. If no work is available immediately in coal mines, selective service officials are empowered to pay the worker at the rate of 40 cents an hour for a 48-hour week on termination of present job until directed to new employment.

The armed forces are specifically prohibited from enlisting any one engaged as a coal miner prior to Feb. 1, 1944. No coal miner can be called by draft into the armed forces.

Behind this attempt to place the coal mining industry on a national emergency basis is the simple arithmetical fact that Canada's war and home front effort have become increasingly dependent on the United States for her coal supply.

In April, Canadian mines are said to have fallen a million tons short of their approximate potential capacity to produce.

Output Lags

On average there has been a lag of about 300,000 tons per month in Canadian production below what it is thought the mines could and should be producing if all available manpower were available.

It is thought that there are approximately 3,000 coal miners now engaged in other forms of industrial employment (especially shipyards) and whom it is now hoped to bring back to the mines. Co-operation from industrial employers is said to have been obtained in bringing about this transfer.

It is the fear that coal shipments to Canada from the United States may be in part or whole suspended for an indefinite time on account of critical labor conditions in that industry that has given the government its lead in declaring a new state of emergency in the industry.

What is considered highly important here is the indication in this coal mining order that the government has at last decided to get serious about the manpower problem. The method and the manner of putting some backbone into the order is considered prophetic of what may happen in other industries and occupations as the growing manpower shortage reaches critical proportions.

English Electric Co. of Canada has reduced the dividend of its class A non-cumulative common stock with declaration of 25c. a share, payable June 15, 1943, shareholders of record, May 31. Dividends have been paid quarterly at the annual rate of $2.50 a share, or 62½ cents quarterly, since Sept., 1937. The company reported net profits available for dividends on the class A equivalent to $2.52 a share in both 1942 and 1941.

Canadian Workers *Speed* The Tanks

In this war of machines, Canadian factories are participating with force. Tanks, armoured vehicles, and many other needed war machines are streaming forth to carry the fight to the foes of freedom. Manpower is the greatest factor behind the production of machine power—labour and management, shoulder to shoulder, in a struggle to out-produce the Axis. Throughout Canada in hundreds of branches six thousand men and women of the Bank of Montreal are helping by war-time banking service.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service ... *the Outcome of 125 Years' Successful Operation*
A 17

Automatic Screw Machine Hours
AVAILABLE

Advertiser has the following number of machine hours on automatic screw machines for sale during the last 6 months of 1943.

Browne & Sharpe	No. 0	48,500 hours
	No. 00	58,200 hours
	No. 2	11,900 hours
Cleveland	⅞"	5,100 hours
	2"	16,200 hours

(SUBJECT TO PRIOR SALE)

Those interested should communicate with Advertiser through Box 38, The Financial Post, Toronto, when further information will be made available.

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Elson from Washington

(Continued from page 1)

board and perhaps the most skilled industrialist on the civilian side in the American equivalent of "M & S." He tried it first in aircraft and there ended last week end a three-day conference of the best brains in U. S. industry at which ways and means of speeding up heavy bomber and other types of heavy combat aircraft were discussed. It is no secret certain failures on the planning impeded American bomber production. These failures have not prevented the U. S. aircraft industry from — on the authority of President Roosevelt — turning out more planes than any other country in the world.

But the WPB scheduling plan now is intended to do for components what the Controlled Materials Plan did for materials. It envisages eventual scheduling of components two years in advance of delivery. It requires all agencies to "program" requirements and spell them out across the calendar. WPB will evaluate requirements before they are put into process to see they are within the capacity of industry and they are widely enough distributed so that one order does not conflict with another.

For those components which Canada seeks from the United States success of this plan will mean guaranteed delivery with fewer delays. Any improvement in the production of American airplane engines under scheduling will also be of immediate benefit to the Canadian aircraft industry.

● Price Administrator Prentiss M. Brown has revived the old issue of standardization and simplification as a means of increasing civilian supply. He asked Congress to express itself on a genera' policy and intimated OPA will insist soon that minimum quality standards be applied to certain dry goods, principally articles of which there may be a shortage.

Retailers and industry do not like it, even though the approach made to a comprehensive overall policy has not begun to approach that undertaken in Britain or even in Canada. But the deteriorating textile picture — War Production Board Chairman Donald Nelson warned here last week that clothes rationing may have to be undertaken—may compel action. Nelson later in a memo to WPB staff laid down the policies that should govern the issuance of standardization and simplification orders.

The basic precept was that the maximum latitude possible should be allowed, and orders issued only where substantial savings in materials and labor can be made.

It has long been the contention of Bernard A. "Barney" Baruch, the "elder statesman" of the war production program, that standardization and simplification can guarantee adequate supplies for the civilian population in spite of demands of the war machine.

● Acceleration of the shift in production to those weapons and implements now needed to win the war was dramatically brought home this week when the War Production Board set up what is known as the "facilities review committee" to halt work on new plants and cancel orders for machine tools. What it meant was that "tooling up" period in the American effort is completed, apparently for the duration, and the plant needed to win is already in operation.

For several months it has been apparent that certain plants still under construction were not needed to meet the tasks in hand. The action this week only confirmed the news. Other cutbacks in war production are coming swiftly here, as they are in Canada, with the emphasis following the same general lines—aircraft, merchant ships and naval escort vessels.

Cotton Mills Work 10.9% Below 1942

From Our Own Correspondent

MONTREAL.—Canadian cotton textile mill operations in April reached the lowest level for the month since 1939, according to figures released by the Cotton Institute of Canada. Labor shortage has been the principal factor in the mill's showing.

Bales of cotton opened last month totalled 38,611, compared with 44,200 in March and with 44,391 in April last year. For the first four month, 157,185 bales were opened, compared with 176,402 last year, a decrease of 10.9%.

Price Bros. & Co. is not likely to pay any dividends on its common stock this year. If earnings hold anywhere near last year's level, it is possible that the stock will be put on a pay basis early in 1944, according to those closely in touch with the company.

Consolidated Paper Corp. during April issued 33⅓ shares of common stock in payment of interest, bringing the number of shares outstanding to 2,561,867 shares.

DIVIDEND NOTICES

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 74, quarterly, $1.75 per share, payable July 15th, 1943.

No par value Common Stock

No. 56, quarterly, 15c per share, payable July 26th, 1943, to holders of record at the close of business June 19th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, April 27th, 1943.

In Your Opinion—

Should Wages and Prices be Under One Control?

The Question: Since wages are such a large factor in prices should control of both be brought under one authority?

P. C. Armstrong

Special representative, Canadian Pacific Railway, Montreal.

The question appears to be merely a matter of allocation of functions by a government which holds authority in both fields. The important point is that economics of the situation make rigid wage control unfortunately quite as necessary as rigid price control.

Indeed, there is real reason to believe that in a country whose economy is under severe strain to meet the needs of war, it is not possible to permit even such flexibility in wage control as must sometimes be permitted in price control. We cannot expect to continue indefinitely a cost-of-living bonus system which would protect higher paid as well as lower paid workers from bearing their share of those price increases which are an inevitable consequence of war activities however skillful, thorough and successful, our attempts to prevent price increases on a seriously inflationary scale. Consideration should now be given to eliminating further increases in the cost-of-living bonus except in those cases where genuine hardship would be imposed on workers by some further increase in the cost of the necessities of life.

• • •

De Gaspe Beaubien

Consulting engineer, Montreal, and director of several corporations, member of the Electrical Commission, etc.

Wage ceilings are intimately linked with labor disputes. Any important issue would have to be brought to the cabinet for sanction. We would be no further ahead than we are now.

Suggest exporing the appointment of a labor-executive tribunal, of such standing and so removed from politics, that government would not think of interfering any more than it would with the administration of justice.

• • •

W. H. Belford

Editor, Times-Journal, Fort William.

It seems to be that the prices field and the wages field to a considerable extent are fundamentally distinct and each presents its own highly intricate problems. It would be difficult to obtain a central and directing authority competent to undertake the combined administration.

The Wartime Prices and Trade Board has functioned reasonably well and it seems to me that the national war labor board should have an opportunity to function. We are at the crux of the war effort now and we have had ample assurance that nearly all Canadians are behind the war effort. Education and inspiration will serve us better than any attempt at dictation.

• • •

Charles E. Campbell

Publisher, Bulletin, Edmonton.

It is obvious that wage control is an essential complement to price control because the cardinal purpose of the latter is to maintain a healthy and workable relationship between prices and wages. The entire object of control to prevent inflation is contravened unless that relationship is strictly maintained. It would seem to be reasonable, therefore, that these two controls should be brought under a single authority. To separate them would almost necessitate the creation of a third authority whose business it would be to adjust the operations of the one to the other in the interests of simplicity, which is the genises of organization. Price and wage control should be identical.

R. D. Colquette

Editor, Country Guide, Winnipeg.

Government responsibility for all matters regarding labor should remain in the Department of Labor which was set up to initiate and administer labor legislation and should continue to be responsible for fulfillment of that function. Co-ordination is necessary and should be achieved through the responsible ministers.

• • •

L. B. Calnan

Editor, Gazette, Picton, Ont.

That equitable wage levels and price levels are intimately related is a demonstrable fact as easily capable of proof as kindergarten arithmetic.

In a controlled economy then, when management of wage levels and price levels are divorced, or if problems arising out of these controls are not simultaneously handled, production and distribution are bound to decline with the consumer as the most important ultimate victim.

If administration of wage levels and of price levels are to be continued by separate authorities, then it is demonstrable that both agencies should be subject to an overriding administration.

• • •

Dr. F. A. Gaby

Vice-president, British American Oil Co., Toronto.

With present price controls during wartime resting in the authority of the Federal Government, it is very desirable that all factors such as labor cost, including wages and hours of employment, be under the same authority with, maybe, provincial labor boards in this respect conforming to the national policy with such approval as is necessary to harmonize and co-ordinate policies and rulings with the object of greater basic uniformity as between provinces for nation-wide industry.

• • •

Wellington Jeffers

Financial editor, Globe and Mail, Toronto.

Competent organization of the use of manpower is the supreme need in wartime. To prevent interference from wage and price rigidities or excessive fluctuations wage and price decisions should be subsidiary to decisions on needs of manpower as well as of materials and services for the armed forces and civilians. Constant sitting of an advisory committee representing employers, employees and primary producers and consumers could help greatly in determining reasonable relationships of wages and prices to achieve the objectives of manpower policy. It has helped in Sweden.

• • •

H. M. Jenkins

President, Jenkins Groceterias Ltd., Calgary.

I am unable to fully understand the import of your question under present conditions. Wages and prices both are supposed to be controlled at present. I doubt if one man is able to handle so much. Consolidated control, however, would reduce the inconvenience from conflicting orders.

• • •

Dr. J. E. Lattimer

Economist, Macdonald College, Ste. Anne de Bellevue, Que.

Control of wages and prices should be under one authority or similarly regulated. Some goods and services are produced by self-employed individuals, while others are provided by employees. The prices of goods provided by those working for themselves are their wages.

Goods must be exchanged no matter how produced. Price relation of all must permit exchange. If wages in some lines rise more than prices, as has occurred since Aug., 1939, or since the ceiling on prices was established, then scarcity, decline in quality, black markets, or a combination of all three may be expected.

• • •

Col. W. G. MacKendrick

President, Warren Bituminous Paving Co., and associated with other large companies, Oakville, Ont.

Unity of command is essential over labor costs before wartime price boards can function efficiently in high gear to check inflation. Canada's present wartime method, or lack of it, of deciding by strike what is a just remuneration in industry belongs to the ice age and not to civilized nations. Men who strike during the war should be promptly supplied with a battle dress minus a union card.

After the war, take wages out of politics, place them under a board of judges to decide just remuneration for industry. Make every union publish an annual report of their income and how it is spent for each member and the government.

• • •

Major H. G. L. Strange

Searle Grain Co., Winnipeg.

The average cost of things prairie farmers have to buy, according to the Searle index, has risen by 17% since Aug., 1939. Industrial wages have risen 19% in the same period without counting cost-of-living allowances paid to labor, showing how prices of things rise with industrial wages. But farmers do not receive any cost-of-living allowances. Increase in prices, therefore, is a considerable burden on farmers. We would, therefore, heartily approve of wage rates being controlled by the same authority that controls prices of things farmers and others have to buy for living and production.

How Mutual Aid Will Work

Canada to Deal Direct With Other United Nations

Under the United Nations Mutual Aid Act, which has now had second reading at Ottawa, Canada will inaugurate a new policy of aid to the allies.

The bill provides for $1 billion, as did the previous credit "gift" to Britain which was exhausted at the end of 1942, but under the proposed administration Canada will deal directly with the nations to be supplied. Previously, while Britain had retained a large portion of goods on which the credit was expended, a sizeable amount was reallocated to such countries as China and Russia.

An allocation board will be established under Karl C. Fraser, formerly with the British Supply Council, to decide on fair disposition of goods. Finance Minister Ilsley summarizes the plan's general policy under four points:

1. To provide to our allies over and above the requirements of our own forces war supplies, on the basis of strategic need, including farm products and war materials.

2. To enter into whatever reciprocal arrangements are practical, under which our allies will furnish us with supplies or services in return. The return of goods whose usefulness is expended when the war is over may be stipulated. It is not proposed to provide aid only where reciprocity is possible. An essential feature of the proposal is that the use of supplies in joint and effective prosecution of the war is held a sufficient payment for their transfer.

3. To avoid piling up huge war debts by selling for payment after the war, or the creation of indefinite or uncertain postwar obligations.

4. To deal directly with the various countries requiring mutual aid and not to provide such aid to one country through the agency of another.

Administration Simple

Not much new governmental machinery will be required for the plan, Mr. Ilsley believes. On the board will be the ministers of munitions and supply, national defense, agriculture, justice and finance. With a small administrative staff, it will depend on existing procurement agencies, such as the department of munitions and supply.

It is important, Mr. Ilsley stated, that the Canadian source of this assistance should be clear to the countries receiving it and that Canada should deal with them directly.

In the early part of the war financial assistance to the allies was provided by payment before maturity of Canadian debts to Britain in the form of redemption of certain Canadian government securities that were outstanding in Britain, or the repurchase from the British of Canadian securities.

Provision has now been made for the repatriation of all Dominion securities, direct and guaranteed, and all CNR. securities previously held in Britain.

During the nine-month period of the previous $1 billion gift to Britain, transfer of war equipment and defense services to a value of $740 millions was effected; foodstuffs totalled $242 millions; raw materials $288 millions.

The sterling deficit has been covered in the several months since the gift was exhausted by two interim arrangements: payment by Britain of her Canadian dollar deficit for a short time by the transfer of U. S. dollar balances which Canada was able to use in the United States, and purchase from Britain of investments in Canadian war plants made through the capital assistance program of the Department of Munition and Supply.

While these measures have tided over the period since December, and the increase in Canadian expenditures abroad since then will further reduce the sterling deficit, Mr. Ilsley stated that a problem remains in providing aid not only to Britain, Russia and China, but to other British Dominions.

Money Remains at Home

The system of Mutual Aid will allow Canada's productive power to be used most effectively. Under the plan, Mr. Ilsley pointed out, money is not being sent out of Canada. The amount set aside is used in Canada, for the payment for services of Canadians. Sent abroad are the products which they make. Thus the measure is similar in principle to the U. S. Lend-Lease Act.

How the amount allowed for under Mutual Aid will be allocated is not yet known. Previous requirements of Britain (and the rest of the sterling area) of Canadian dollars for payments to Canada were broken down by Mr. Ilsley as follows:

	Calendar year 1942	Fiscal year 1942-43
	—millions of $—	
Munition purch. in Canada	873	896
Other exports in Canada ..	695	706
War activities in Canada ..	127	132
Freight payments	113	113
Capital expend. for munitions	58	31
Other capital payments .	5	5
Interest, dividends	12	10
Miscellaneous	16	15
Total	1,899	1,908

How these dollars were obtained by Britain is shown in the table below:

	Calendar year 1942	Fiscal year 1942-43
	—millions of $—	
Receipts for Canadian imports	226	200
Freight paymts. to Britain	36	34
Interest and dividends	61	59
Miscellaneous	42	42
Can. war expend. in Brit.	191	248
Private capital payments .	51	48
Repatriation of secs.	296	73
Transfer of U. S. $ to Can. by Britain	23	166
Can. purch. of munitions plants	..	40
Adjusts. of transactions ..	74	106
Billion $ contribution	1,000	1,000
Less adjustments	—118	—149
	1,882	1,867
Balancing items (refers to both tables)	17	41

Consolidated Oka Sand & Gravel Co.'s plan of reorganization has been approved. One objection was that the mortgage behind the new debentures was to include only real property, and that the "fleet," over $500,000 in value, had been omitted. It was stated at the meeting that its inclusion was fully intended, and the word "fleet" was added to make this clear.

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1942 TAX ADJUSTMENTS

It contains much information you will need to have and act upon before the end of June.

Let us help you to adjust your 1942 tax and file your return for 1942 before June 30, 1943.

Crown Trust Company

Executors and Trustees

393 ST. JAMES ST. W.
MONTREAL

80 KING ST. W.
TORONTO

Federal Grain Co. is expected to report earnings for the year ending July 31 next which will compare favorably with those of last year when the company earned $8.82 a share on its preferred stock. Operations for the first nine months of the current year have been on a satisfactory basis so far as volume of business is concerned.

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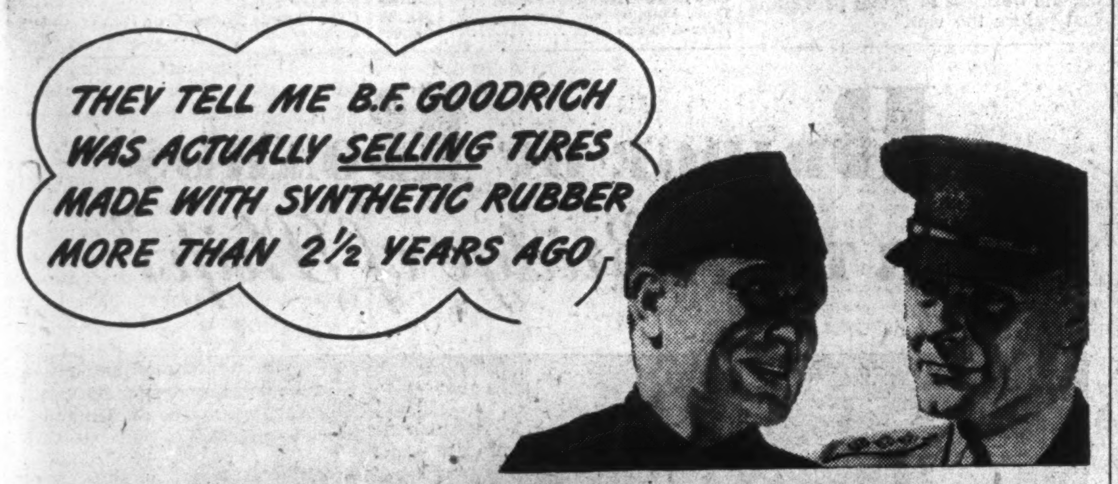
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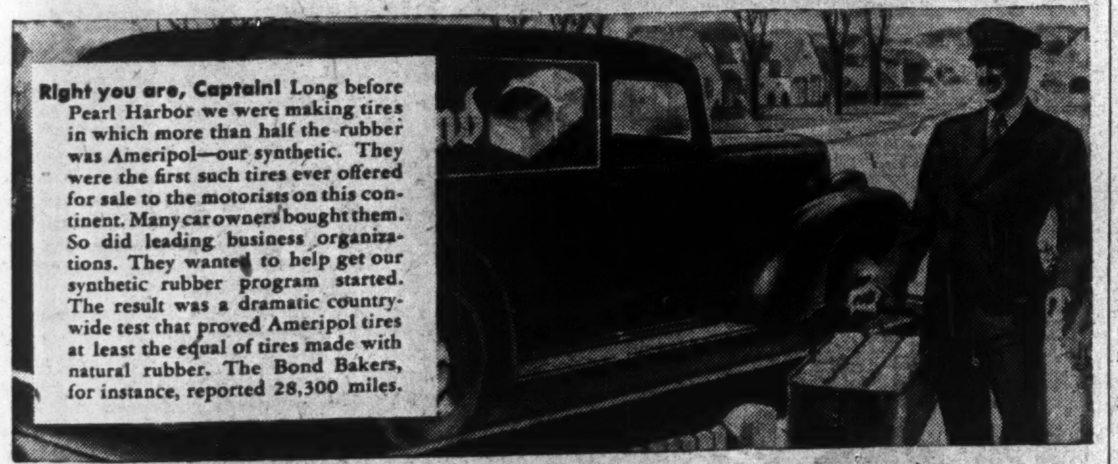
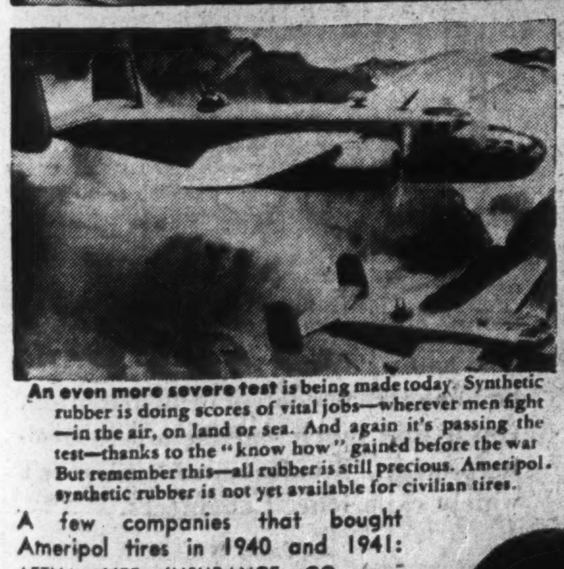
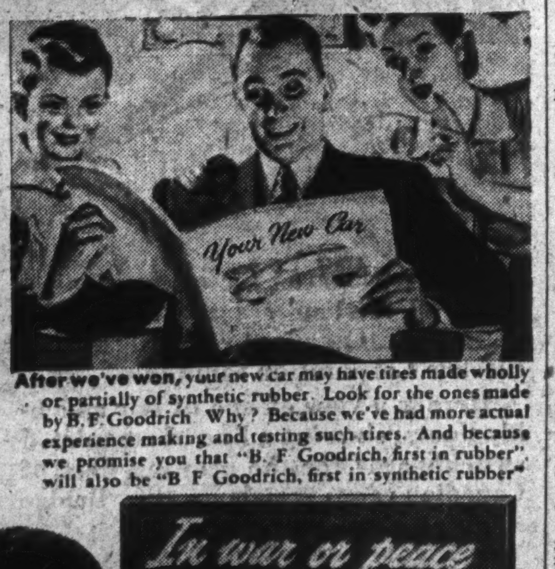
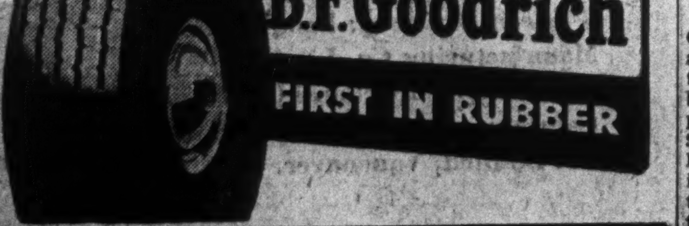

Right you are, Captain! Long before Pearl Harbor we were making tires in which more than half the rubber was Ameripol—our synthetic. They were the first such tires ever offered for sale to the motorists on this continent. Many car owners bought them. So did leading business organizations. They wanted to help get our synthetic rubber program started. The result was a dramatic countrywide test that proved Ameripol tires at least the equal of tires made with natural rubber. The Bond Bakers, for instance, reported 28,300 miles.


An even more severe test is being made today. Synthetic rubber is doing scores of vital jobs—wherever men fight—in the air, on land or sea. And again it's passing the test—thanks to the "know how" gained before the war. But remember this—all rubber is still precious. Ameripol synthetic rubber is not yet available for civilian tires.

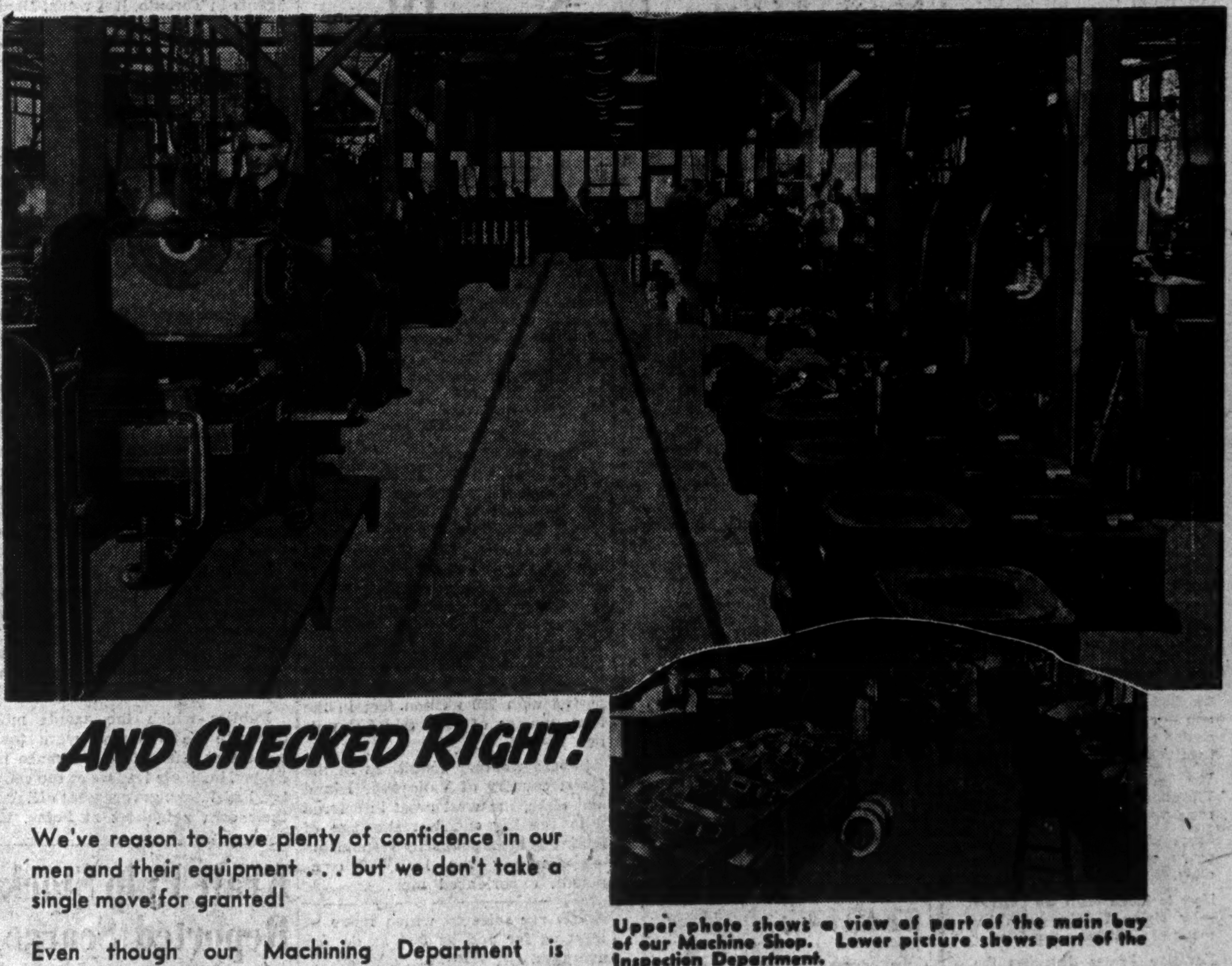


After we've won, your new car may have tires made wholly or partially of synthetic rubber. Look for the ones made by B. F. Goodrich. Why? Because we've had more actual experience making and testing such tires. And because we promise you that "B. F. Goodrich, first in rubber" will also be "B. F. Goodrich, first in synthetic rubber"

A few companies that bought Ameripol tires in 1940 and 1941:
AETNA LIFE INSURANCE CO. . . . AMERICAN CAN CO. . . . THE BORDEN COMPANY . . . J. I. CASE CO. . . . GENERAL OUTDOOR ADVERTISING CO. GENERAL BAKING CO. . . . GEO. A. HORMEL & CO. . . . INGERSOLL-RAND CO. . . . KELLOGG COMPANY . . . PACKARD MOTOR CAR COMPANY . . . PET MILK SALES CORPORATION . . . RAILWAY EXPRESS AGENCY. . . . STANDARD BRANDS INC. . . . SWIFT & COMPANY. and many other important companies in communities from coast to coast.



MADE RIGHT...


AND CHECKED RIGHT!

Upper photo shows a view of part of the main bay of our Machine Shop. Lower picture shows part of the Inspection Department.

We've reason to have plenty of confidence in our men and their equipment . . . but we don't take a single move for granted!

Even though our Machining Department is completely equipped with fine precision tools, even though our machinists and toolmakers are painstakingly trained in our long tradition of fine craftsmanship — still, Waterloo inspectors, responsible directly to the management, check and double check every operation and then back-check finished products.

We're proud that this meticulous attention to detail is proving its value in the marine engines, tank steering assemblies, shell lathes, gun-mount parts and aeroplane and tank parts which we are and have been building.

Here at Waterloo we have a plant of which we are exceedingly proud, a plant which has available capacity to help other manufacturers produce. Perhaps we can help you solve a production problem?

THE WATERLOO MANUFACTURING COMPANY LIMITED
WATERLOO • ONTARIO

Equipped for efficient, high-speed, mod[illegible]: [illegible] Planers, [illegible] Shapers, 8 Vertical Milling Machines, 4 Horizontal [illegible] Machines, 1 Horizontal Boring Mill, 2 Vertical Boring Mills, [illegible] Engine Lathes, 2 Turret Lathes, Radial Drills, Grinders, etc.

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Crashed on Greenland's Icecap — one of the most amazing stories of endurance to emerge from this war.

We Sink U-Boats — by Arch Whitehouse through special arrangement with the R. C. A. F.

Smuts of South Africa — by a writer who knows him intimately.

How to Make Meat Go Farther —by Helen G. Campbell, Director of Chatelaine Institute.

Beverley Baxter describes the effect of the war on the home in Britain.

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Ottawa River Project Faces Major Obstacles

Ottawa and Washington Must Rule on Priorities For $40 Millions Development; Hydro Spending $1.3 Million on Steep Rock Line

Ontario Hydro has two major projects on hand. On one, a transmission line from a point near Port Arthur to the Steep Rock iron mine, work has already started. The other, construction of the proposed new hydro-electric power plant at Des Joachims on the Ottawa River, is only in its preliminary stages. When real construction will get under way on this is still doubtful.

Ontario Hydro expects to spend around $1.3 million on the new power line to supply the Steep Rock mine and to have it completed in November or December. Time of completion and final cost will largely depend on labor supply.

Power will come from the Cameron and Alexander Falls plants of Ontario Hydro on the Nipigon River.

It is believed sufficient power will be available from these sources, although it is admitted that full requirement of Steep Rock will take about all that can be developed from existing installations.

Much will depend on how the twin requirements for pumping water from Steep Rock Lake and actual development work at the mine dovetail.

Ottawa Project Uncertain

On the proposed Ottawa River power plant, status appears to be still somewhat uncertain. Ontario has passed required legislation to ratify the agreement between Ontario and Quebec. The Quebec Legislature has also passed legislation but this has not yet been given royal assent, a necessary preliminary to its becoming effective.

The Dominion has also drafted a bill to complete its share of the three-way agreement but this bill has not yet been introduced. It is understood the Dominion bill would have the effect of making the agreements effective as of the date of orders-in-council already passed and dealing with the matter. Exactly when the Quebec and Dominion legislation will be finally adopted is not known although there does not appear to be any particular difficulty in sight.

Labor, Materials Important

Of greater importance, it is thought, will be the ability of Ontario Hydro to secure allocations of labor and materials for the $40 millions construction job.

Only official statement on this subject was recently made by Dr. T. H. Hogg, chairman of the commission, when he made it clear that Ontario Hydro is anxious to go ahead just as soon as supply of labor, priorities on needed materials and equipment, can be secured.

Hydro has already spent more than $100,000 on surveys and diamond drilling and plans to continue with this work, which is a preliminary to actual construction.

The final decision made by authorities at Ottawa and Washington, particularly the latter, on the application for allocation of required materials and labor, will be vital. If these authorities are convinced that the new power plant has to be built, priorities will be forthcoming promptly; if this conviction cannot be carried, then the whole project is unlikely to proceed while the war lasts.

War Effort Redirected

The most that can be said about this phase of the project is that both Ottawa and Washington are currently in the midst of a job of redirecting war industry. Many large projects have been halted and some that have been completed are not fully occupied. So far as this phase affects the Ontario Hydro project, it would seem that the determining factor as to whether the large power project will go ahead now will be the extent to which this re-appraisal of the war effort affects the large users of electric power, such as the chemical and electro-metallurgical industries. It is not thought that any changes have been made in these divisions.

Perhaps of some importance in determining likelihood of the proposed power plant going ahead is the argument that has arisen in the United States over the allotting of materials and giving financial assistance to the huge power project nearing completion for Aluminum Co. of Canada.

Whether U. S. authorities will be willing to go ahead with another power plant in Canada at a time when they are curtailing other phases of the war effort in their own country is a question.

Ontario Hydro was able to weather the peak power load of last winter without too much inconvenience. Admittedly the commission is still operating with practically no reserve power but the re-appraisal of war effort could readily help to ease next winter's peak and make it possible to handle future demands with existing facilities.

B.C. Lumber Operators See Hope in New Plan

From Our Own Correspondent

VANCOUVER.—After months of inaction and uncertainty, B.C. loggers were offered the hope of some relief last week when the National Selective Service announced that efforts would be made to release men of woods experience from employment in the shipyards.

How many will be available from this source is indefinite, particularly as there still seems to be a lack of compulsion in the program. The decision is being left pretty much to the individual shipyard worker as to whether he wishes to quit his job and go to work in the logging camps, but the transfer is being facilitated by an order to the shipbuilding companies to segregate men who have had previous experience in logging and notify them that the government considers their employment in the woods more desirable than in their present posts.

One shipyard company alone has more than 200 ex-loggers on its payroll.

Applies to Miners Too

A similar plan is being followed with men who have previously worked on farms and in base metal mines, and it is hoped that during the summer the depleted crews of the copper mines at Britannia and Copper Mountain as well as the agricultural areas of the Okanagan and the Fraser River valley will be replenished to some extent.

Essential labor for the logging industry, the mines and farms may also be provided by the new order requiring all men of military call-up ages now engaged in unnecessary occupations to report to the National Selective offices in Vancouver and accept transfer to jobs where their efforts would be of more national importance. The military services will get first call, of course, but if the army examiners do not pass them, the men will be routed into the woods, mines and farms.

Loggers and mining operators in British Columbia report that there has already been quite a drift back to their payrolls of men who until recently were working in the shipyards.

Meanwhile production of logs continues to drag at a time when every stick of timber is vitally required for the war program. The log scale in April was down 25% from April of last year, continuing the trend noted during the earlier months of the year. Approximate figures are 180 million board feet last month, compared with 240 million feet in 1942 and 287 million feet in 1941.

Unofficial figures for the first four months of this year indicate a production of 505 million feet, comparing with 760 million feet in the first quarter of 1942 and 892 million in 1941.

Severe weather conditions in the forest country of Vancouver Island and along the west coast interfered with the log cut, but shortage of labor has been primarily responsible—particularly the lack of competent, experienced men.

The Shareholder

Ottawa Car & Aircraft in its recently published annual report mentioned receipt of a non-recurring dividend of $24,998 from Canadian Associated Aircraft, the company established in 1938 to handle contracts for aircraft from the British Government. Six Canadian companies—Ottawa Car, Canadian Car & Foundry, Fairchild Aircraft, Fleet Aircraft, National Steel Car and Canadian Vickers—each invested $166,600 in the project.

It appears from this announcement that Canadian Associated is making non-recurring or probably liquidating dividends to its six shareholders, each of whom holds the same investment in this company.

• • • •

Capital appreciation is as much a part of legitimate investment policy as is dividend income, the exact balance maintained between these twin objectives in any particular case depending on individual circumstances. But capital appreciation cannot be readily secured unless stocks are selected which move at least as far and as fast as do the averages.

Loblaw Groceterias and Building Products are two stocks usually highly regarded by Canadians, used by a correspondent as examples of the principle that certain stocks lag behind the market even in periods of generally advancing prices. Loblaw A today sells for approximately the same price as it did a year ago; Building Products holds near the level of two years ago.

But in the interval, stock prices, as measured by the Dominion Bureau of Statistics industrial share average, have risen more than 35%; individual stocks have more than doubled.

Colonial Steamships, Ltd., is paying a dividend of $2.50 a share on its common on June 12, 1943, to shareholders of record May 25. Initial dividend by this company was for $2 a share and was paid July 10 last year.

A new company, the **Provincial Life Assurance Co.** is seeking incorporation from the Quebec legislature. The proposed head office will be at Levis and the authorized capital $2 millions.

Market Review

By ROBERT C. STARK

Who is Taking Profits?

Following a lead from New York, most prices on Canadian markets turned a little easier during the last week. Unlike New York, where the trading pace slackened moderately as stock prices moved off, volume here held rather well.

The view most generally expressed is that the sell-off is a natural profit-taking reaction to some of the exuberant buying that went on when news of North African military victories was floating in thick and fast. According to this viewpoint the answer lies in the fact that those who bought when the news was very good have since come to realize that the way ahead will still be hard and long, and have decided to cash in their profits and wait and see what the next war move will be.

All that sounds very logical, but there appears to be some room to ask who has been doing the profit taking. Actually, the stiffer prices that accompanied the Tunisian developments afforded some pretty slim short term profit pickings when today's high commission rates are taken into account. It is quite conceivable that those who have been doing the profit taking have been those who have been long for some time, and that the war news buyers are still holding what they have bought during the last two or three weeks. It usually takes longer than that for a rampant bull to cool out.

Excited Buyers

Such a condition would indicate that there is in the market a higher percentage of the more excitable type of trader, who buys or sells on the strength of the headlines, without a great deal of consideration to other and sometimes more basic factors. Obviously, the market cannot be said to be in the strongest possible hands when this type of trading is in the ascendancy.

Domestic Developments

While the war news has been making some excellent reading lately there are developments closer to home that may have an important effect on the market during the coming months. War contracts are being renegotiated on a large scale; many important contracts are being cancelled in entirety although they are still far from completed.

This shifting in production emphasis will bear importantly on the operations of many companies. For some it may mean sharply decreased activity, for others long periods of profit-deadening retooling. Up to now the usual market approach to any company engaged in war production has been that capacity operations were assured at least for the duration. That philosophy appears to be due for a change.

DIRECTOR

F. Hedley Marsh, president of the Bank of Toronto, who has been elected a director of the Excelsior Life Insurance Co. George R. Warwick was elected first vice-president, and S. F. Duncan second vice-president.

Market Opinions

Opinion on New York stock markets suggests that risks of buying stocks at current prices are relatively great.

Magazine of Wall Street, N. Y.—Technical action of the market continues favorable, suggesting that further advance in the averages over the early future is more probable than decline. But bargain-day for new buyers has definitely gone and the potential for profit is importantly diminishing.

• • •

Brookmire Counsellor, N. Y.—Although stock prices have recorded a further advance and the military news has been dramatically favorable, prudent investors must bear in mind that the market never has been a one-way street without limit. In view of the additional advance without a corrective reaction, conservative procedure should be maintained. In stock funds where the cash reserve equals approximately one fourth, cash should be kept back and where this objective is not fully reached, a little further selling of speculative types is advised.

North Tells Agents Federation Of U. S. Public Relations Plan

At the annual meeting of the Canadian Federation of Insurance Agents in Toronto, last week, David A. North, president of the National Association of Insurance Agents of the United States, discussed the plans of the National Association for a public relations campaign. Mr. North was the guest speaker at the dinner given by the Toronto Insurance Conference to outside agents. Objective of the campaign in the United States is to raise $300,000 for public relations work.

The Federation is a Dominion-wide organization of fire and casualty insurance agents.

Mr. North explained the campaign is not to be a defensive fight to retain what the agents already have but an aggressive fight to win public confidence, understanding and respect. Declaring the basis of any public relations program to be behaviour, he stated that this involved finding out what it is you do which people like, and doing more of that, and finding out what you do which people don't like and doing less of that.

The National Association, he stated, is prepared to educate people, its own members and others, "to bring facts before people, to publicize, to advertise, to use literature and speeches and, for all we know, radio. . . ."

Publics which the agents must cultivate he indicated were their customers, the whole insurance industry, business leaders of the country, legislators, government officials, their own neighbors at home, the insurance agents themselves, and their employees.

If the insurance agents cannot make these groups respect them, then they will find the going hard, he said.

The federation, at its regular sessions, passed a resolution urging that all classes of insurers should be taxed equally. It also decided to adopt a revised form of the constitution embracing many amendments that have been made in recent years. A resolution that the federation be incorporated was regarded favorably, but before taking action it was decided to ask some of the member associations for further information. Another measure discussed was the formation of a central tax bureau to deal with tax problems.

Members of the council for the coming year were elected as follows:

R. J. WICKHAM, Montreal, Insurance Brokers' Association of the Province of Quebec, honorary president.

J. E. PROCTOR, Toronto, the Toronto Insurance Conference, chairman.

Vice-Chairmen

D. A. HANSON, Montreal, Insurance Brokers' Association of the Province of Quebec.

S. O. MASON, Welland, Ontario Fire and Casualty Insurance Agents' Association.

H. L. HUTTON, New Westminster, British Columbia Insurance Agents Associations.

Trustees

S. McADAM, Toronto, Toronto Insurance Conference.

J. D. KIRBY, Ottawa, Ontario Fire and Casualty Insurance Agents' Association.

Council

W. W. REVIE, Winnipeg.
C. E. GEOFFRION, Montreal.
F. BLISS, Hamilton.
THOS. W. HUNTER, Toronto.
The PRESIDENT of the Insurance Agents' Association, Regina.
The PRESIDENT of the Insurance Agents' Association, Brandon.
The PRESIDENT of the Insurance Agents' Association, Victoria.
F. C. SWEET, Vancouver.

Kraft Pulp Stocks Reported Scarce

A serious shortage of southern unbleached kraft pulp is one of the major problems confronting the U. S. Wood Pulp Alocation Industry Advisory Committee.

After providing for necessary Lend-Lease and "Good Neighbor" shipments, the market was found to be approximately 20,000 tons short of the amount necessary to provide the converting mills with a 30-day inventory during May. However, analysis revealed that a small number of mills had inventories of this grade of pulp which range from three months to a year's supply, at current rates of consumption.

In order to equalize inventories and to provide for a 20-day supply of unbleached kraft on June 1, the committee ordered mills having excessive supplies to dispose of part to other consumers.

Corporate Investors, Ltd., is paying a dividend of five cents a share, plus an extra of seven cents for the quarter ended April this year. This brings payments for the company's year to 27 cents compared with 26½ cents paid for the previous period.

SYSTEMATIC SAVING BEST

Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you: Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.

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Let Us Be Careful

War horizons are brighter but the crucial stage is still ahead.

For Victory's sake let us be rigorously careful in all our spending. Let us not buy a thing we can possibly do without. Let us squeeze and save every extra dollar we can.

Every dollar *not spent* for clothes or household goods or entertainment, or even for food, releases materials and labour for the production of ships and planes and other necessary war materials.

Let us open a bank account or build up the old one, or take out more insurance, or best of all buy more Victory Bonds.

Canada's war programme will require more money before the end of the year. Let us be prepared.

Every dollar saved helps the war effort.

Only the very best we can do is good enough to put beside the efforts of our fighting men.

Wood, Gundy & Company
Limited

Maritime Tel. & Tel. Holds Record Pace

Maritime Telegraph and Telephone Co. continues to set new records, the number of stations in operation at the end of March totalling 56,895, a gain of 393 over the record total reported at the end of the previous month.

Long distance toll traffic handled in March totalled 180,576 calls, an increase of 24,990 calls over the same month last year.

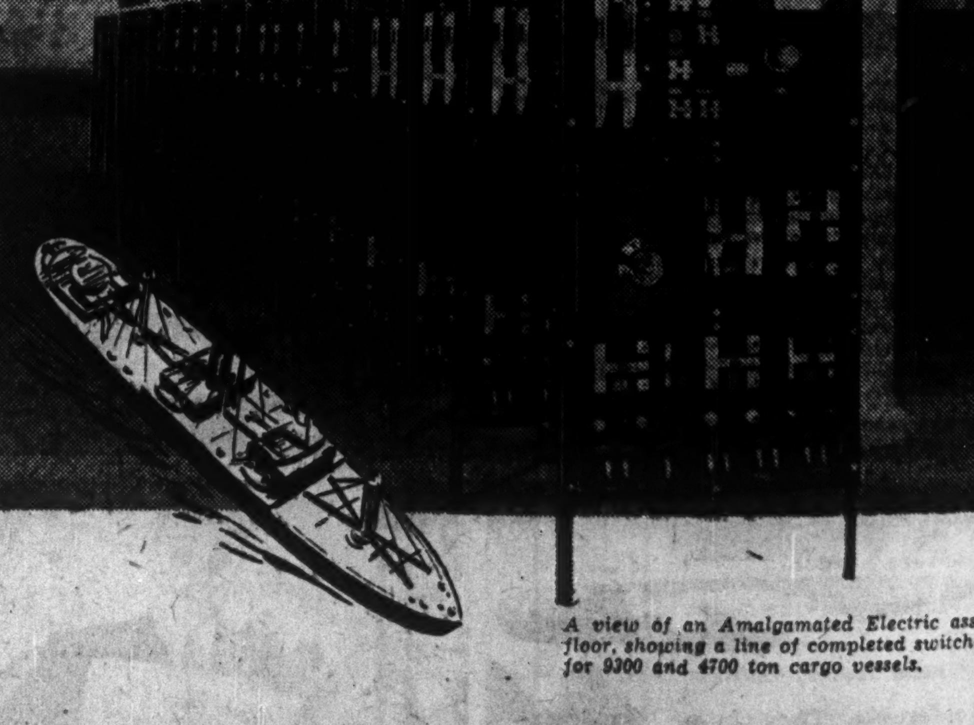
Aluminium Ltd.'s president, Edward K. Davis, told shareholders at the annual meeting that dividends paid in 1942 did not exceed "what would have been the net distributable earnings of the company had the plant facilities and properties in existence prior to Sept. 3, 1939, and paid for without any governmental assistance whatever, been used for normal business at prices prevailing just before the war."

More Big Subscriptions For Victory Loan

This is the fourth list of major subscriptions to the Fourth Victory Loan. The Financial Post has been publishing these lists throughout the loan as they have come from the national headquarters of the National War Finance Committee. The tabulation includes subscriptions of $500,000 and over.

Sun Life Assurance	$22,000,000
Mutual Life Assur.	14,000,000
National Trust Co. (estates & trusts)	5,378,000
Abitibi Power & Paper	4,000,000
Robert Simpson Co.	4,000,000
Can. Gen. Electric Co.	3,500,000
Ventures Ltd. & assoc. cos.	2,910,000
Hydro-Elec. Power Comm., Ont.	2,000,000
McIntyre-Porcupine Mines	2,000,000
Tor. Gen. Trusts Corp.	1,800,000
National Trust Co.	1,650,000
Hollinger Cons. Gold	1,500,000
Wright-Hargreaves Mines	1,500,000
City of Toronto sinking fund	1,500,000
Dom. Foundries & Steel	1,350,000
Kerr-Addison Gold	1,000,000
Lever Bros.	1,000,000
Waterloo Trust & Sav.	1,000,000
Upper Lakes & St. Lawrence Trans.	1,000,000
Home Insur. ($500,000 reported previously)	800,000
Goodyear Tire & Rubber additional $150,000, making total of	750,000
Mining Corp. of Can. & assocs.	780,000
Dome Mines Ltd.	750,000
Otis-Fensom Elev Co.	775,000
Ont. & Minn. Pulp & Paper	700,000
Safeway Stores Ltd.	550,000
Lake Shore Mines	500,000
Premier Trust Co.	500,000
Can. Niagara Power Co.	500,000
Zeller's Ltd.	500,000

A BRIDGE OF BOARDS FOR THE "Bridge of Ships"



A view of an Amalgamated Electric assembly floor, showing a line of completed switchboards for 9300 and 4700 ton cargo vessels.

Switchboards for every requirement on land or sea are FACTORY BUILT in Canada by Amalgamated Electric Corporation Limited.

Here is a view of one of our assembly floors, showing a line of completed switchboards for the growing fleet of Canadian cargo vessels . . . the "Bridge of Ships" to carry supplies to our troops and our allies overseas.

Whatever your requirements may be in electrical control or distribution, you'll find much satisfaction in dealing with Amalgamated Electric's widely experienced engineers.

Amalgamated Electric Corporation Limited, Toronto and Montreal. *Western Divisions:* Langley Electric Manufacturing Co. Limited, Winnipeg; Langley Electrical Co. Limited, Calgary; Langley Manufacturing Co. Limited, Vancouver.

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- Have a glorious holiday in this untrammelled land of lakes and islands—where nature is your neighbor—where **fish stories come true**—where you can relax and breathe the pure tonic air of the Northland.
- Swim in crystal pure, refreshing water—rest, play and forget in this glorious vacationland. Camp White Bear is spacious, luxurious, modern. Cabins with private baths. Finest meals. Rates from $8 day, $50 week.

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The CANADIAN INDEMNITY COMPANY
HEAD OFFICE . . . WINNIPEG

BUSINESS
enriches
the
NATION
and
YOU

BUSINESS
"Backs the Attack"

BUSINESS in Canada—management and labour—is "Backing the Attack."

In factories from Halifax to Vancouver, production of non-essential civilian goods takes last place. Long-established markets are sacrificed, valuable sales contacts are discontinued, old and loyal customers suffer severe hardship . . . all to the one end that Victory may be assured.

These losses, though temporary, are considerable. They can be regained only at the expense of much time and money. Yet, in the interests of shareholders and wage-earners alike, Victory must come before all other considerations. On this principle Canadian industry is united . . . and on this principle it is acting with a determination and power that has won unlimited praise from our allies.

2D-43

THE BANK OF TORONTO
Incorporated 1855

How Will EPT Hit Dividends?

Payments in Doubt for Four of Ten Samples

By ARTHUR D. ELLWOOD

In spite of reluctance on the part of the majority of Canadian companies to make public the complete story regarding their tax and earnings picture, enough have given their shareholders this vital information to indicate what is happening.

The results emphasize that 1943's corporation taxation schedules, normal taxes and excess profit taxes, carry a threat to dividend payments that has perhaps not been fully realized by investors. They show that it will require a substantial margin of earnings to provide coverage for prevailing dividends while absorbing the impact of 100% excess profit tax over its first full year of application.

At the same time, out of the 10 sample companies whose 1943 ceiling profit is given below, only four appear likely to show 1943 earnings which will fail to cover dividends at the rate paid in 1942. At least one of these companies, Building Products Ltd., has already announced a lower dividend and is now paying at a 60-cent annual rate compared with the regular 70 cents, plus a 10 cent bonus, which made up the 80 cents paid for the past four years.

Other Rates Safe

The profit limit seems to hold little threat to continued regular payments for such companies as Ford Motor Co. of Canada, Guelph Carpet or Imperial Varnish & Color.

By contrast, J. D. Johnson, president of Canada Cement, told shareholders that the earnings ceiling would make it impossible to do more than maintain the $5 a share payments on its preferred stock. This company is looking for perhaps a 30 to 40% decline in volume of shipments this year.

Canadian Celanese is another company which is hit by the new taxes. Its sales in the first quarter of this year were 13% greater than in the same period of 1942 with profits before taxes ahead in the same proportion. But the company cannot retain more than $1.88 a share, or 12 cents a share less than was paid in dividends on its common for 1942.

Profits, Taxes and Dividends

	1943 Estimated Profit Ceiling Per Share	1942 Dividend Paid Per Share	1942 Actual Profits Per Share	1943 Refundable Tax (Est.) Per Share
	$	$	$	$
Building Products	0.68	0.80*	0.88	0.21
Canada Cement (pref.)	5.24	5.00	7.03	1.74
Canada Cement (com.)	nil	nil	0.18	...
Canadian Celanese (com.) ..	1.88	2.00	3.19	1.70
Ford Motor Co. (A & B)	1.45	1.00	1.94	0.56
Guelph Carpet (com.)	1.53	1.00	3.02	1.63
Harding Carpets (com.)	0.39	0.25	0.50	0.08
Imperial Varnish (pref.)	5.27	1.50	9.46	...
Imperial Varnish (com.)	0.75	0.60	1.59	0.53
Robert Mitchell Co.	1.35	2.00	4.76	7.30
Ottawa Electric Railway	2.73	2.00	4.71	3.83
National Breweries (com.) ..	1.96	2.00	2.47	0.35

*Includes "extra" of 10c.

Refundable EPT Grows

While the figures for 1943 net profits may appear somewhat bleak, refundable excess profit tax begins to bulk large in many cases. For several of this group of ten companies, the refundable portion of EPT is substantially greater than the amount which can be retained for shareholders. For Robert Mitchell Co. the refundable tax is estimated at $7.30 a share while the net profit for this year will be only $1.35 a share. For Ottawa Electric Railway and Guelph Carpet the estimated refundable tax is also substantially greater than net profit.

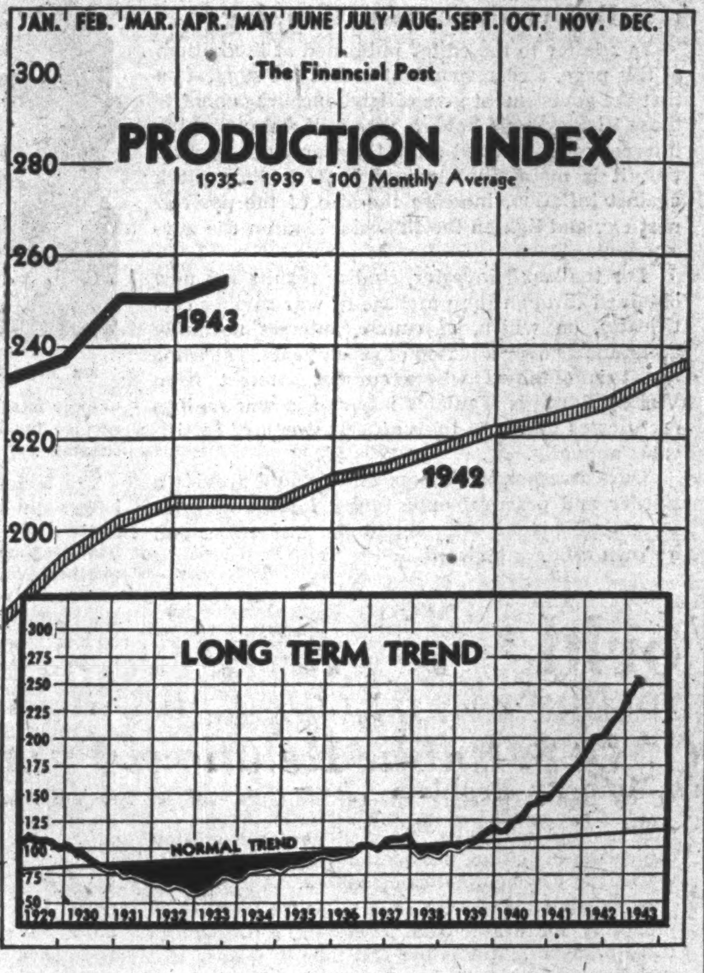
This tax will be refunded to the company after the war without interest. But no present guess can be made as when this refund will actually be received although present government policy indicates that no strings will be attached as to the use which the company can make of it when received. In the calculations made here the refundable EPT has been treated just as any other tax but, due to its growing importance, estimates have been made of what it will amount to, either as provided by the company itself or based on the relationship between stated standard profit and actual profit before taxes in 1942. This assumes that the companies concerned are able to maintain operations at a rate closely comparable to that of 1942. The figures for refundable EPT are better regarded as maximum estimates which may be influenced by other factors such as change in rate of operation and thus of gross profits before the end of the year.

How Ceiling Works

The fact that it is possible for a company to state definitely that it cannot, under present tax schedules, retain more than a specified amount as net profit from 1943 operations is the direct result of the workings of the EPT schedule adopted last July and which was in effect only for the last half of 1942. This year, however, it will apply for the full year.

Under EPT a company cannot retain more than an established percentage of its average pre-war profits—the average earnings for the four years 1936 to 1939 inclusive. When a company earns more than 116 2/3% of this standard, the entire excess is taken as a tax but 20% of the amount above this 116 2/3% of standard is refundable after the war.

The net effect is that a company required to pay EPT at the maximum 100% rate cannot retain more than 70% of its standard profit. It is from this set of conditions that it is possible for a company to establish its maximum profits for this year long before it has actually earned them.



Volume of production, as measured by The Financial Post's revised production index, showed a further advance in April over the previous record established in March. The April index was 256.5, according to preliminary figures, up about four points from March and comparing with 208 for April, 1942. Industries engaged on war production accounted for the latest advance. Several divisions of the iron and steel industry, including shipbuilding and miscellaneous products, recorded marked gains. The dairy industry was considerably more active in April than in the preceding month. The forestry group showed recession, while new business obtained by the construction industry was again less than normal for the season.

Brown to Pay Interest Due

From Our Own Correspondent

MONTREAL.—Brown Co., an important producer of pulp and pulp products in New Hampshire and Quebec, will pay on June 1 all back interest on its 5% general mortgage cumulative bonds, according to an anouncement by Henry P. Kendall, chairman of the board. The amount to be distributed totals $1.6 millions.

The coming payment covers the period Sept. 1, 1940, to June 1, 1943, or 2½ years. Interest from Dec. 1, 1939, to Dec. 1, 1940, has already been paid out of consolidated 1942 earnings, one half on Aug. 20 of last year and one half on Dec. 1.

Has Sufficient Earnings

The obligation dates back to the consummation of the plan of reorganization on Nov. 29, 1941, when one of the conditions of the issue of general mortgage bonds to original first mortgage bondholders was that they should bear interest as from Dec. 1, 1939, two years previous. The payment to be made June 1 has become due and payable under the requirements of the standby provisions of the general mortgage indenture, since consolidated earnings for the fiscal year 1942 were sufficient to meet all interest accruing since that time. This includes the Dec. 1, 1943, interest payment, which, the announcement adds, will be made on that date.

In connection with the payment, Mr. Kendall points out that holders of the old Brown Co. bonds which have not yet been exchanged under the plan will receive interest payments only on exchange.

Investment Notes

Distillers Corp.-Seagram reports that during April it purchased 570 shares of preferred stock for retirement and cancellation, leaving outstanding 152,563 shares.

* * *

Page-Hersey Tubes shares have been listed on the Montreal Stock Exchange. These shares had previously been listed on the Montreal Curb Market and are also traded on the Toronto Stock Exchange.

* * *

Canadian Food Products Ltd., formerly Honey Dew Ltd., announces acquisition of all outstanding share capital of Woman's Bakery Ltd., operator of a central bakery in Toronto and a chain of 16 retail shops. The new business is to be operated as in the past with Ray Leake, present manager, continuing in charge. Canadian Food Products already operates the Honey Dew chain of restaurants and coffee shops and Industrial Food Service division supplying meal service for industrial plants.

* * *

Canadian National Railways gross and net operating revenues continue to climb. Returns for March show a gain of nearly $7.4 millions in operating revenues, against which there was an increase of $5.9 millions in expenses. Net revenues last month at nearly $7.9 millions were up over $1.4 million over like amount last year.

For the first quarter of 1943 the system reports operating revenues of $95.7 millions, a gain of $16.1 millions over the same period last year. Some $13.8 millions of the increase was absorbed in higher expenses, leaving net income at $17.5 millions, or $2.2 millions above the 1942 level.

March	1943	1942
Oper. revenues	$36,100,000	$28,706,000
Less: Oper. exps. ..	28,215,324	22,282,552
Net revenue	7,884,676	6,423,448
Aggregate to March 31		
Oper. revenues	$95,707,000	$79,623,000
Less: Oper. exps. ..	78,227,000	64,398,000
Net revenue	17,480,000	15,225,000

* * *

Foundation Co. of Canada is busily engaged building landing barges at a new plant set up in Nova Scotia, according to a statement made at the annual meeting of shareholders. The company is the largest supplier of this type of water craft in Canada.

Paper Demands Exceeds Supply

From Our Own Correspondent

MONTREAL. — Unsatisfied demand for paper to the extent of more than one million tons has developed in the United States, despite the attempt to limit paper consumption by orders affecting end use.

Under present conditions paper manufacturers are unable to step up production schedules to the level of orders, because of government regulations. If these conditions continue over the next few months, says the American Paper and Pulp Association, with further unfilled orders, the necessity for some remedial action will become imperative.

Output Down 13%

According to reports received by the association, paper production in the United States for the first three months of this year totalled 3.8 million tons, a reduction of over 13% from the same period of 1942.

Orders received in the first three months amounted to 4.1 million tons, compared with 4.2 million tons during the same period last year, a reduction of less than 4%.

For the first quarter of 1942, production exceeded orders received by some 182,000 tons, or 4%. In 1943, on the other hand, orders received exceeded production by 250,000 tons, or 6%.

In the period Jan. 1 to April 1, 1943, order backlogs increased nearly 200,000 tons from 899,600 to 1.1 million tons, while in 1942 during the same period backlogs were decreased by 136,000 tons.

Grocery Stocks Still Declining

Figures compiled by the Dominion Bureau of Statistics relating to the Canadian wholesale grocery trade reveal a continuing trend of increasing sales in relation to emptying shelves.

Sales of 73 of Canada's larger wholesale grocery houses were up 9% in March this year over the dollar volume of business in the same month in 1942, and increased in value 18% over sales of last February.

Sales for the first 1943 quarter showed an average gain of 3% over the corresponding 1942 period.

The regional breakdown of wholesale grocery sales is as follows:

Gain or Loss in $ Value March, 1943, over March, 1942	
British Columbia	down 12%
Maritimes	up 14%
Quebec	up 6%
Ontario	up 12%
Prairies	up 11%

However, inventories at the end of March were 12% lower in value than in the previous year, declining 2% since Feb. 28.

Stocks at the beginning of March are in normal times approximately 43% above business volume for the month, but this year the proportion has fallen to 17%.

Newsprint Use Up In April

Apparent total consumption of newsprint in the United States last month amounted to 327,431 tons. This was 2% above the figure of a year ago, according to the Newsprint Association of Canada, and compares with a reduction of 5.6% in March. Cumulative decrease for the first four months of the year was 2.4%.

Apparent total stocks of paper held by all United States consumers declined 39,250 tons during April and amounted to 34,819 tons at the end of the month. Corresponding stocks at the end of April, 1942, were 605,928 tons.

During the first four months of the year, Canada provided the United States with 71% of its total newsprint needs. Shipments from U. S. mills and Newfoundland represented 24% and 5%, respectively, during the same period.

India Produces Own Aluminum

From Our Own Correspondent

MONTREAL. — Aluminum Production Co. of India Ltd., an associate of the Aluminum Co. of Canada, recently announced that its plant at Alupuram, in Travancore State, is producing virgin aluminum for the first time.

This new industry, the Department of Trade and Commerce reports, will henceforth supplant Canada and other countries as sources of supply of many of the raw material requirements of local Indian aluminum rolling mills.

Direct shipments from Canada to India of aluminum in various forms can thus be expected to show a progressive decline, but, as the bulk of India's imports of this metal have been purchased from the United Kingdom, Germany, France, Switzerland and Japan, the effect of local production on total Canadian export trade to the Indian market will be of comparatively small proportions.

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MONTREAL TORONTO WINNIPEG

A NATION OF 'CAPITALISTS'

"Capital . . . is simply . . . 'saved labour'. A man doesn't spend all he earns, and capital, which always starts in a small way, comes into being."

"Anyone who has a savings account or owns a home, a share or a bond, or a life insurance policy, is a capitalist, and a better citizen for it, since he has a stake in the country . . . we are a nation of 'capitalists' . . ."

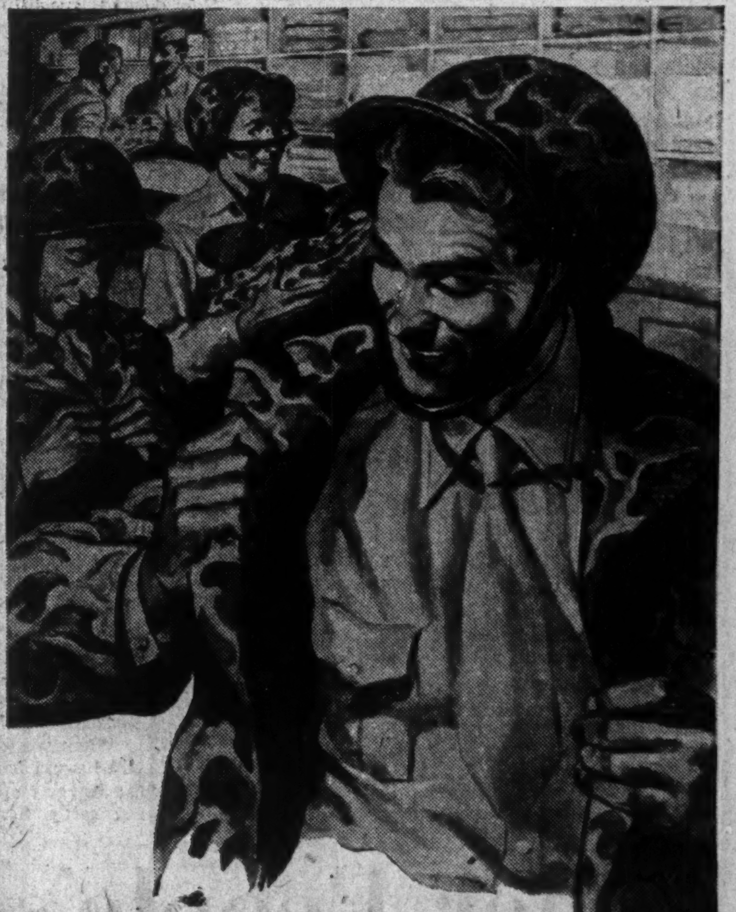
"We provide for those who bring their investments to us for management, a helpful service in safeguarding for them the fruits of their labour during their lifetime, and a sound administration of their estates after their deaths, to best assure the security of their dependants."

From the President's address at our Forty-third Annual Meeting.

THE ROYAL TRUST COMPANY
CORPORATE SECURITY — PERSONAL SERVICE
Offices across Canada from Coast to Coast

International Utilities Corp. annual meeting held May 5 in Baltimore was adjourned sine die due to lack of a quorum, it is understood. William F. Harty, Kingston, has been elected a director to fill a vacancy on the board. Public hearings on the company's proposal for merging International with its present subsidiary, Dominion Gas & Electric, are expected to be held soon by the Securities & Exchange Commission which has indicated that these proposals are in accordance with the provisions of the Public Utility Holding Company Act under which the dissolution proceedings were instituted by the SEC.

St. Lawrence Flour Mills Co. has purchased Maritime Mills Ltd., of Saint John. The new subsidiary will be operated under the same corporate title.



CLOTH-DRYING SKILL BORN IN 1904 HELPS GIVE THEM . . .

A WINTER SUIT WITH A SUMMER LINING!

If you wonder what happened to the boy in a "zoot" suit, look again . . . he's traded it in for a "shoot" suit . . . the newest creation of the U. S. Corps of Engineers.

It's an all-season camouflage uniform of reversible cloth . . . printed to match fall and winter terrain on one side . . . spring or summer on the other!

It's taking industrial miracles to get these suits to our fighting men *in time* . . . problems of processing literally millions of feet of cloth. And from the very time that cotton is plucked from the plant, Sturtevant "Puts Air to Work" to speed it along. Conveying the raw fibres, drying the staple stock, air conditioning the spinning and weaving rooms, ventilating the dye house, even heating the shipping rooms.

Thanks to knowledge of textile drying, for example, that goes back to Sturtevant's pioneer Tenter Frame Dryer of 1904 . . . today's drying equipment, at such large mills as Rock Hill Printing & Finishing Company, Rock Hill, S. C., delivers this camouflage cloth—and other four or five yard goods—at record-breaking speeds of six miles per hour!

Here, again, yesterdays of Sturtevant pioneering are working for Victory. *Engineered Air makes the difference* in another of our war-won skills that face new horizons when Peace is won.

B. F. STURTEVANT COMPANY OF CANADA LIMITED
Factory Galt, Ont. — Sales Offices Toronto-Montreal

Sturtevant
TRADE MARK REGISTERED
Puts Air to Work

The Editorial Page . .

Courting a Food Crisis

Simply dumping some unskilled labor on the farmer's doorstep during the rush of spring seeding will not solve the critical food problem facing us this year. As repeatedly pointed out by The Financial Post, farming is an industry in which trained labor is essential, more essential in fact than in most other industries, because agricultural workers largely operate alone and there is little opportunity for skilled supervision. Particularly is this true in the present emergency, with most farms desperately undermanned.

So far, however, the labor department at Ottawa has given not the slightest indication that it has any real understanding of the problem. Not until a few months ago was any attempt made to check the drafting of skilled farm workers into the army. By then it was too late to save literally thousands of farms from going out of real production this year.

And now, when "hired men" are practically non-existent, Ottawa makes a belated move to comb workers of military age and category out of non-essential industry and force them into farm work. Most of such men, of course, will hardly be able to distinguish between a pig and a sheep, let alone mangels from turnips or oats from barley. Furthermore, as the authorities now realize from the first call, there is only a handful of able-bodied men left in nonessential industry anyway.

If we are to prevent a serious shortage of many essential foods next winter, immediate measures will have to be undertaken to assure Canadian farmers an adequate supply of skilled help. Competent agricultural observers question seriously Canada's ability to produce as much food as last year under present conditions, let alone turn out the vitally needed increases planned at the agricultural conference at Ottawa last fall.

No Rubber Stamp Accounting

Discussing the matter of arriving at a single and fair method of treating excess profit tax and particularly the refundable portion, with members of the accounting profession, The Financial Post has been told that accountants are often willing to report this item as the directors of the company desire. This dangerous attitude is sharply challenged by a contributor to the current issue of the Canadian Chartered Accountant who declares:

> "If the accounting profession is so moribund as to be satisfied to occupy the anomalous position of accepting fees for a report, which even if conscientiously rendered within the limits of statutory obligation, amounts to a 'rubber stamp' endorsement of the information directors consider it expedient to supply, then the 'future of auditing' is obscure, and one foresees with foreboding the day when a more enlightened generation of shareholders comes to realize that their 'watchdog' is unable to bark; the suspicion is already dawning."

Deploring the lack of "vigorous leadership" which would advance proposals to assure shareholders of "adequate and uncamouflaged statements," this writer offers a threefold set of proposals. He suggests a "Dominion Security and Exchange Commission," a modified version of the U. S. organization. He would require "uniform methods of costing and accounting in each main type of industry" and closer relationship with the income tax department.

The Financial Post has long advocated complete and honest statements for shareholders. It has repeatedly urged uniform treatment of refundable excess profit tax, pointing to the greatly increased importance this item will have in the 1943 statement.

Few practical businessmen would like to see Canadian investment and business shackled with all the burdens of detail embodied in the American SEC, but some features of that organization's work have much to commend it. Canadian accountants are far more likely to secure an effective and practical Canadian SEC by the voluntary action suggested in the Canadian Chartered Accountant, rather than let matters drift along until the government is forced by public opinion to pass drastic compulsory legislation.

Demobilizing War Contracts

End of the war is going to bring a rush to re-establish peacetime operation on the part of Canadian companies now engaged on war production. To do this will require immediate cash, and large sums of it. Termination of war contracts will find many companies tied up with heavy inventories and goods in process of manufacture for which compensation may not be paid by the government for some time.

The Financial Post's Platform for War

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *A national war cabinet of Canada's best, chosen not on party lines.*
3. *A non-political industrial executive to organize and direct procurement of war supply.*
4. *Pay-as-we-go policy, to the utmost possible limit to avert inflation.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *Planning NOW for postwar, by government and business, to ensure full employment and improving social standards through individual, competitive enterprise.*

But speed in arranging settlement of at least the larger portion of these outstanding accounts will be vital. W. R. Campbell, president of Ford Motor Co. of Canada, put this very clearly in his recent address to shareholders.

> "In order to re-establish peacetime operations, there will be an urgent need, immediately after the cessation of hostilities, to release the company funds invested in wartime inventory unsuitable for use in manufacturing peacetime products. It is, therefore, most desirable that the government should, before that time, evolve a policy which will provide for immediate payment of the major part of the obligation that may then be outstanding, thus leaving only a nominal amount deferred until claims are finally settled."

In making this suggestion, Mr. Campbell is only advancing a very reasonable recommendation. It is going to be just as important to have smooth-working and efficient machinery ready to untangle the war contracts still in force at the end of the war as it was to get an organization and procedure established to arrange the contracts in the first place.

We have vividly before us the difficulties met in getting the organization set up which is now centred in the Department of Munitions and Supply. Within this same department we should have well developed and ready a systematic procedure for demobilizing war contracts and arranging as early settlement of outstanding balances as possible. This simple step will go a long way toward smoothing the road to peacetime conversion and will in no way interfere with the immediate job of winning the war.

Farmers' Creditors Arrangement Act

Since 1934 the Dominion Government has had the Farmers' Creditors Arrangement Act on its books. Originally applying in all nine provinces, since 1934 its operations have been restricted to Alberta and Saskatchewan. The Act was a product of the depression of the early thirties.

Now it is proposed to amend the FCAA including extension to Manitoba. That is needs amending, is clear to all those who have had anything to do with its operations over the past nine years, and who have witnessed the disintegration of all classes of agricultural credit as a result of it. Whether the amendments suggested, however, will remedy the defects, is another matter.

Critics admit that in its early days, the FCAA filled an emergency need, but they argue that the most deserving cases have now been handled. In the meantime it has led to abuses which need correcting. It is pointed out that as administered to date it has done much to destroy farm credit, that boards of review have too often adopted the attitude that any farmer, who appeared before them, should get some reduction in debt regardless of the facts of the case. It is well known that the dishonest and inefficient farmer has been quick to take advantage of measures never intended for his benefit.

The Dominion Mortgage & Investments Association, in a special statement claims that "grave injustices" to those whose savings are invested in farm mortgages have resulted from the workings of this piece of legislation. Main trouble is attributed to failure of the act to provide for appeal from rulings of non-judicial tribunals which have been given very wide powers, but lack definite instructions in regard to application. The Association wisely urges that present revision should include the right to appeal for rulings to the courts and specific limitations of the act to those farmers who are in difficulties through no fault of their own.

Deferred Coupon Clipping

In a letter to the editor published at the bottom of this page, a correspondent makes the suggestion that the government give official encouragement to those Victory bond holders who will defer clipping interest coupons until after the war. Such a practise, it is maintained, would be a further check against inflation, increase the size of the postwar nest egg and lighten the financial load on the government.

For the small investor, similar results are now obtained through the purchase of war savings certificates, on which, of course, interest normally accumulates over a period of seven years. The same result is obtained where current interest from Victory Bonds is regularly invested in war savings certificates up to the limit of $600 worth of certificates annually.

Our correspondent's suggestion would provide a similar and practical opportunity for the investor to enlarge his contribution to the war effort and his own estate afterward.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Solution for Europe's Minority Problem

A solution of the vexed problem of central European minorities was advanced by Dr. Eduard Benes, president of Czechoslovakia, in an interview published recently in the New York Times. Main argument of Dr. Benes is briefed in the following paragraphs:

• • •

I believe, that the minority question of central and eastern Europe should be settled this time radically and definitely. Two main conceptions of the most advisable method exist.

The first is that the Eastern Central European nations must be put together in one or two vast confederations. Proponenents of this idea say that then the question of minorities will lose its importance.

The second group says you cannot arrive at confederations and combinations of States unless you first settle the questions of minorities and frontiers.

The questions are so fundamental for each of these nations that they would be bound to quarrel if the issues remained unsettled and the nations could not maintain good enough relations to unite.

All attempts so far at the first method have failed. I tried to work in that direction through the Little Entente, but Hungary always refused to join, invoking these very questions of minorities and frontiers.

We have never tried the second method. We established independent nations, but we did not definitely settle minority problems and Germany and Hungary used minorities as their tools and fifth columnists.

I think that now we should begin after this war by re-establishing independent nations and definitely settling questions of their frontiers and, after coming to a decision, completing it by effecting transfers of populations.

When we decide this and do it, and only then, we will have a basis for the reconstruction of nations on the larger confederation basis. I think that if we do not settle first of all and definitely questions of frontiers and minorities, we shall have the greatest difficulties in settling the questions of bigger confederations of commonwealths of nations.

Now after this war the situation will be extremely promising for drastic and permanent settlement of these problems. This is the first time in history that such has been the case. The destruction provoked and realized by Hitler's "New Order," the economic plundering and impoverishment, the sufferings of nations and, finally, the terrible material and physical condition of the Central and Eastern European nations create such a situation that the difficulties in the way of these proposed settlements will not be nearly as large as in any other circumstances. Morally, spiritually and economically the situation will be easier than ever before in history.

As to the machinery necessary for the settlement of these great problems, that has not yet been devised. Before we can discuss that, the United Nations should reach a decision in principle.

You can never achieve entirely ethnographical frontiers in Central Europe. There will always be some minorities. Parts of them should be transferred to the countries of their ethnographic origin.

The remaining minorities, which could not be transferred, should henceforth be treated like majority population, not with national rights but with all human, democratic rights, as it is in America. All Americans speak English, after all; and yet any national customs, languages, papers, etc., may be kept up by the foreign-born in complete liberty and tolerance.

In the future it should not be possible in Europe either to create by the use of minority treaties or minority laws a special State in another State and prepare large fifth column for a period of crisis or war, as we have seen it happen in the present war. We must base national rights on human rights alone, as is done in the United States.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Well Done!

Toronto Globe and Mail

The huge objective of $1,100,000,000 for the Fourth Victory Loan has been reached, and exceeded. For that all the people of Canada who worked so hard to make it a success deserve credit. The loan was well organized. Its leaders worked hard. The canvassers did their job well. And, above all, the little man, who is the backbone of any such drive, came through with colors flying.

The people have again come through. They are lending their money. Their sons are on active service, are in the war plants, are on the farms. Now it is up to our Parliamentarians to see to it that every dime of that money is spent for victory; that none is wasted; that there is no extravagance.

The people will pay their taxes, will contribute to charitable funds, will lend their money for the war. But they will not stand for waste. It is to be hoped that those charged with the spending of the people's money realize that it was given and loaned for only one purpose: Victory.

As Others See Us . . .

Ottawa to Blame

Strathroy Age-Despatch

The Financial Post succinctly sums up the situation existing today on farms all over Canada and put the blame where it rightly belongs, on the doorstep of officials at Ottawa who do not know their business.

• • •

Flirting With Danger

St. Croix Courier

The Financial Post does well to call attention to the activities of certain stock promoters in Toronto who are using high pressure methods to sell people in all parts of Canada and even in the United States. One of the favorite methods is the long-distance telephone. Another firm has been using the old trick of telephoning, and then whether the victim says "Yes" or "No" to the offer, mailing out "confirmation of purchase" forms. The victim then pays up or argues his way out.

This kind of thing is bad enough in peacetime; in war it is reprehensible. The public should be protected from high pressure promoters now more than ever, both for the sake of the individual and because such activities are in direct competition with Government war financing.

Quite a number of people in this country have larger incomes than ever before; they offer a fertile field for the unscrupulous promoter. And there is also the necessity of preserving Canada's business reputation in the United States. If the provincial securities administration of Ontario cannot prevent these activities it is time for the Dominion Government to take over the job.

• • •

Tax Crown Property

Niagara Falls Review

The Financial Post, gives considerable space to the opinions of leaders of thought in the Dominion, on the question "should crown property be taxed?" There are thirteen replies and twelve of them are absolutely in favor of taxes being paid on the same basis as privately-owned competitors, only one being opposed.

The general agreement is that there can be no sound reason for exempting from taxation completely or partially, the property or any understanding conducted for profit, or of publicly-owned utilities, supported out of their own revenues. Most reasonable people will agree with that idea and it is to be hoped the growing feeling of injustice will result in a change of the law.

• • •

Shady Stock Selling

Edmonton Journal

The Financial Post says that recently it was asked by two Alberta residents why a Toronto brokerage firm should be trying to sell them stocks via the long distance telephone. The article in which these and other incidents of the same kind are related shows that it is more than suspicious of such high-pressure tactics.

After what happened during the market boom of over a decade ago, when huge sums of money were lost through trusting unscrupulous operators it was supposed that adequate safeguards against a repetition of this had been provided in the Dominion. But it is becoming more apparent all the time that the controls then established are altogether insufficient, especially by comparison with those put into effect in the neighboring country. Before the situation gets out of hand again the necessary measures must be adopted. If they are not introduced and rigidly enforced by the provinces, then it is up to the federal authorities to afford the protection that unwary investors require.

The Mail-box . .

Deferred Coupon Cashing

In a recent issue there was an enquiry from a correspondent which you headed "Defers Cashing Coupons."

This is an idea which I have had for some time, and I think it would be well if pressure was brought to bear upon the Government to allow an original purchaser of Bonds to hold the bonds until his demise without cashing the coupons. This would be a patriotic gesture in that the purchaser holding the bonds would be retarding in a measure inflation by not cashing the coupons or Bonds. The benefit derived, of course, would be to those of the larger incomes in that the coupon interest would not appear in their income tax returns.

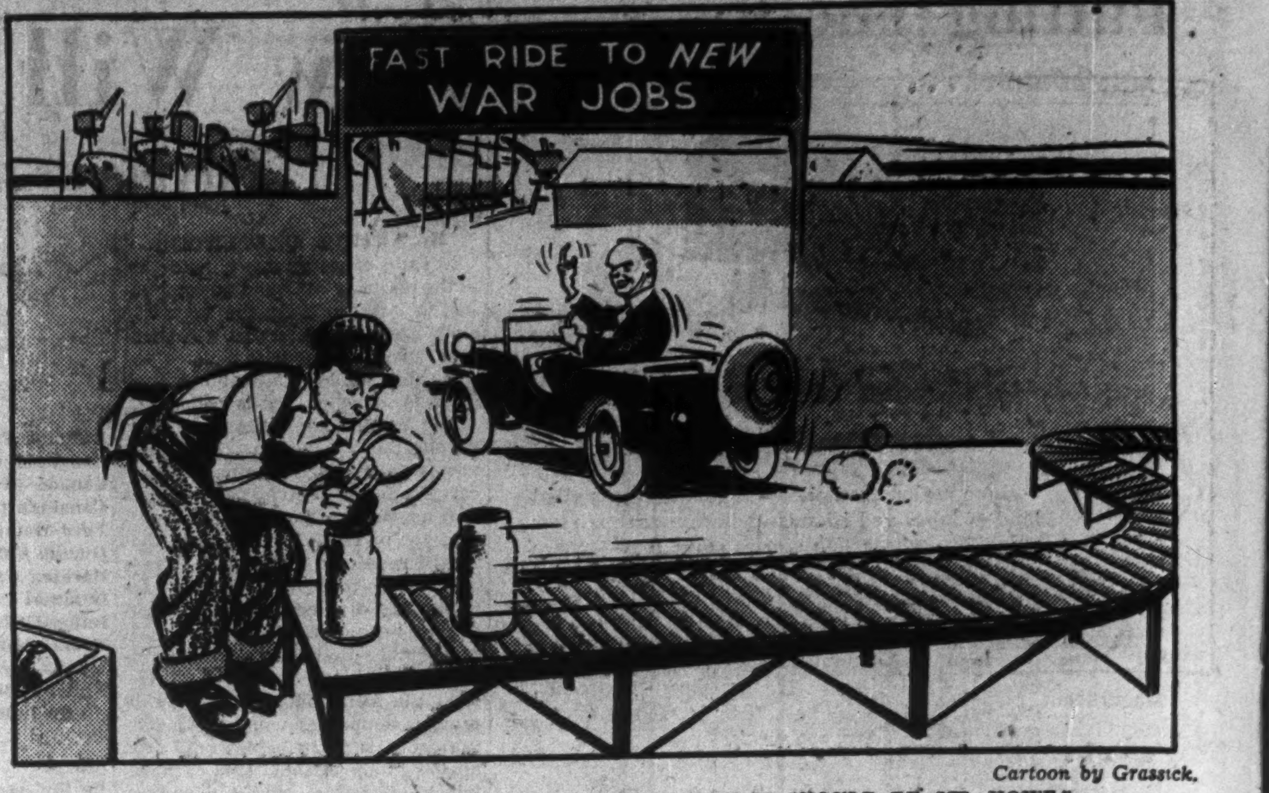
GEORGE T. PEPALL,

Toronto.

• • •

Stop Me If . . .

The mother who protested when she found her daughter sitting on a young man's lap received the naive response, "But, Mother, that's what you told me to do. You said if he got too smart to sit on him!"


FAST RIDE TO NEW WAR JOBS

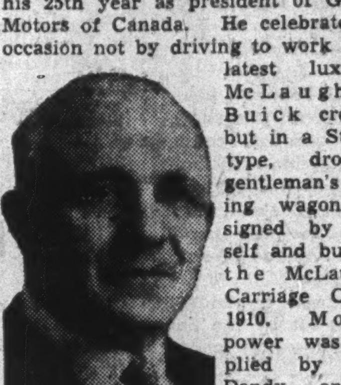
Cartoon by Grassick.

"NO TIME LOST BETWEEN WAR JOBS. THAT'S THE WAY IT SHOULD BE, MR. HOWE."

Post-Scripts . . . .

Quarter of a Century

This month R. S. McLaughlin started his 25th year as president of General Motors of Canada. He celebrated the occasion not by driving to work in the latest luxurious McLaughlin-Buick creation, but in a Stivers-type, drop-axle gentleman's driving wagon, designed by himself and built by the McLaughlin Carriage Co. in 1910. Motive power was supplied by Sport Dandy, one of Col. McLaughlin's former show horses, which along with the vehicle has been brought back to active service for the duration of the gasoline shortage.



MR. McLAUGHLIN

The McLaughlin connection with fine horses and fine buggies goes back many years before the automobile era and has been maintained in one way and another ever since. The original factory, of course, established in the village of Enniskillen, a few miles from Oshawa by the late Robert McLaughlin in 1867, made nothing else but horse-drawn sleighs and buggies. Even after the first motor cars appeared the McLaughlins continued this concentration. In fact the artistic calendars of the company for the years 1905-1907 poked a lot of fun at the new fangled invention. Smart horse-drawn vehicles were shown leaving goggle-eyed, despairing motorists invariably stalled by the roadside. In 1908, however, the calendars called a truce and from then on there were no more stalled motor cars, no more frightened horses and no more comic motorists.

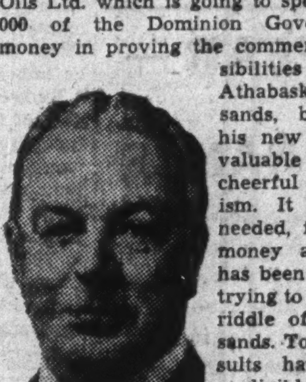
But the firm continued to make high class buggies and driving wagons for some years. In the early days these were decorated by hand-painted designs worked out by the late Robert McLaughlin and applied usually over a stippled walnut background. One of the appliers of these backgrounds was Henry Howard, now 77, and like about 25 others in the big G.M. plant at Oshawa, with over half a century's continuous service in the McLaughlin organization.

The McLaughlin firm finally gave up buggy making in 1915, but R. S. never lost his interest in horses. At his Parkwood Farm on the outskirts of Oshawa he has bred at least one King's Plate Winner. After this war is over and his overtime need no longer be devoted exclusively to community drives in the interest of the Red Cross, Victory Loans, etc., more King's Platers may be expected.

Incidentally, during the 25 years Col. McLaughlin has been president of General Motors of Canada, he has also been a vice-president of General Motors Corporation. In fact he has been a director of the corporation since 1910.

Cheerful Oilman

John Irwin, as president of Abasand Oils Ltd. which is going to spend $500,000 of the Dominion Government's money in proving the commercial possibilities of the Athabaska tar sands, brings to his new job one valuable asset—a cheerful optimism. It may be needed, for much money and time has been spent in trying to solve the riddle of the tar sands. To date results have been negligible. If the present venture fails, it won't be for lack of trying, technical skill or an ability to get around difficult problems. John Irwin has all three abilities in goodly measure.



MR. IRWIN

Now in his early 60's, short and carrying a little weight that comes with the years John Irwin still has the enthusiasm and drive with which he entered business some 46 years ago. He was born of Irish parents at Kingston. His first job was as a stenographer with the local firm of E. Chown & Son. This was in 1897. Three years later he was in Montreal, still as a stenographer with McGibbon, Casgrain, Ryan and Mitchell, then a well-known legal firm.

Six years later he made the jump into the oil and paint business with which he has been associated ever since. After a spell as secretary-treasurer of Henderson & Potts Ltd., he became manager of the Winnipeg office. Next he became sales manager of Brandram-Henderson in 1909; manager of the Toronto office in 1910, assistant manager at Montreal in 1911 and 1912.

John Irwin started business on his own account in 1912 when he purchased McArthur, Corneille & Co. and changed the name of the firm to McArthur, Irwin Ltd. Starting with a small refinery unit in Montreal, he was largely responsible for the creation of McColl-Frontenac Oil Co., control of which passed to the Texaco Corp. a few years ago. John Irwin did not stay out of the oil business long for shortly he was back again, this time as president of Canadian Oil Co.

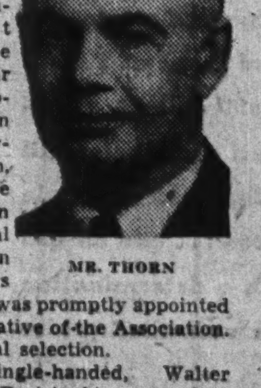
Over the course of years, John Irwin has gathered unto himself many and varied interests. In addition to Canadian Oil and McArthur, Irwin, he heads Crown Diamond Paint Co. and Consolidated Dyestuff Corp. He is vice-president of Chemicals Ltd. and Commercial Alcohols, as well as being a director of a number of other enterprises.

One feature of John Irwin's career is the interest which he has always taken in trade and business associations. He has served on the council of the Montreal Board of Trade and the executive council of the Canadian Manufacturers' Association. In addition he has acted as president of the Canadian Paint, Oil and Varnish Association and has represented the Canadian industry as an officer of the National Paint, Oil and Varnish Association of U. S. A.

• • •

Aviation's Future

It was a bit of luck for the Aircraft Industry and Transport Association when Walter Thorn, the other day decided to retire from active interest in the gas and oil industry of western Canada. AITA was looking for someone with an all round knowledge of the aviation industry, to start working on the difficult postwar contraction problem ahead. But in these days of terrific expansion, such men were even scarcer than the proverbial hen's teeth. Then came the news about Thorn. He was promptly appointed general representative of the Association.



MR. THORN

It was a natural selection.

Practically single-handed, Walter Thorn developed Prairie Airways, a line linking Prince Albert, Saskatoon and North Battleford with Regina and Moose Jaw. It was a modest affair, with small planes, but it was well operated and made money. Moreover, it was a strategic link in aviation between the populous and industrial heart of North America and the expanding Northwest. When the C.P.R. started buying up north and south branch airlines in its recent expansion, Thorn's outfit was one of the first to be acquired. By then, however, the war was on and Thorn switched interest to civilian pilot training under the original Air Training Plan, and to aircraft overhaul work. All this gave him the well rounded practical experience that AITA wanted and in addition he had that other qualification for a first class liaison man, a host of influential friends in all parts of Canada and the United States.

Born in Rochester, Minn., he knows the famous Mayo group and it was his influence that resulted in Mayo money being invested in gas utilities in western Canada. He is a Catholic and has many warm admirers among the Mormons. While a liberal in politics, he has good friends among members of the other parties too.

Now in the neighborhood of sixty, Walter Thorn came to Canada when a young man and entered the lumber business at Moose Jaw. This was in the early days of booming expansion and being of the empire builder type, Thorn flourished. Soon he and his partners had over a hundred lumber yards scattered over the Prairies and the transportation difficulties of those days later made him realize the advantage of air travel in that part of the country. Developing with the west, he became interested in gas, oil and later air transport. Thorn was largely responsible for gas and oil development around Vermilion and when the present war started he was on the verge of building a $7 to $10 million gas pipe line, 125 miles to Saskatoon, where his company holds an exclusive franchise. The war put a stop to that but the public utility for the town of Vermilion was completed.

Walter Thorn is just about the opposite of the popular conception of the big promoter type. He is of medium height, inclined to be thin, grey-haired and well tailored and conservative in dress. In the west he is said to look something like an easterner, in the east he faintly resembles a man from the west. He takes a long time to make up his mind because before he does, he likes to go over every possible point and implication. Though no orator and quiet in voice, he is credited with being a most effective and convincing talker.

• • •

Sayings of the Week

"It's a wonderful place to go crazy in; nobody would notice it."—*Irvin S. Cobb, on his first visit to wartime Washington.*

"Millions of Italians suffer from 'the African illness.' There is only one cure—a return to Africa. And we will return."—*Benito Mussolini.*

• • •

"There is nothing to which closer attention has been given than this matter of reinforcements and potential reinforcements."—*Defense Minister Ralston.*

• • •

"The President will never leave the White House voluntarily, and that is not a wholesome situation."—*Alf M. Landon, former republican candidate for U. S. presidency.*

• • •

"You may be one of those who say, 'Wait'll this war is over. Then we'll talk about postwar planning.' But—you don't wind and set your alarm clock after you get up in the morning."—*Curtis Courier.*

• • •

"There are more than 500 groups in this country devoted to postwar planning. That isn't enough. We shall need 130 million postwar planners if we are really to get the job done."—*Chas. F. Kettering, chairman, National Commission for Economic Development.*

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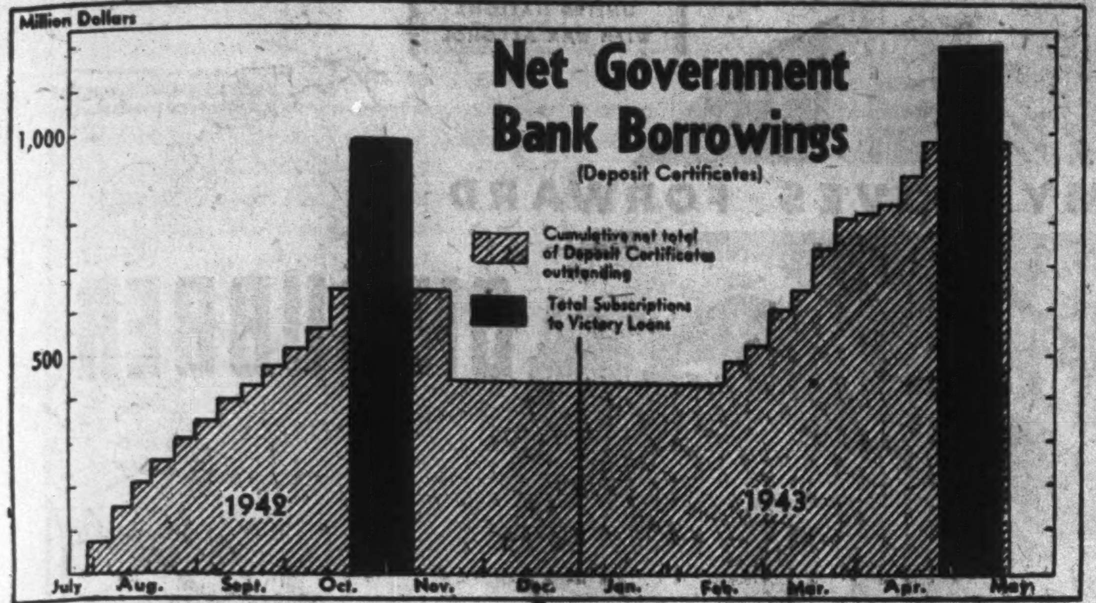
Putting The Brakes on Inflation



Magnificent response to Canada's Fourth Victory Loan means that Canada will be able to put a considerable crimp in its "on the cuff" borrowings of deposit certificates from Canadian banks. The accompanying chart shows the record of this new type of "inflationary" bank borrowing since it was first introduced in July, 1942.

Between July 29 and Oct. 13, 1942, the Canadian government borrowed $645 millions in deposit certificates from Canadian banks. These certificates carry interest at ¾ of 1% and reach maturity in six months. When proceeds of Canada's Third Victory Loan were available in early November, the government redeemed $205 millions of the outstanding certificates. Thus, as the chart indicates, the amount of certificates outstanding was reduced at that time to $440 millions.

As the proceeds of the loan ran out, and expenses overtook revenue, bank borrowings were resumed. First borrowing in 1943 was on Feb. 16. At that time the government purchased $90 millions of certificates of which $50 millions was to renew a similar amount borrowed on August 11 and which fell due on Feb. 16. The remaining $40 millions represented new borrowing. By April 20 (prior to the Fourth Victory Loan) new borrowings had totalled $545 millions making an overall total for the entire period of $985 millions.

With indications that at least $1¼ billions have been subscribed in the Fourth Victory Loan it is certain that within a few weeks the government will again redeem a considerable block of these certificates.

It is also not improbable that on the basis of the showing made in the Fourth loan, the net total of new borrowings during 1943-44 may be considerably less than those which were necessary during 1942-43.

Trade Agreements Pass Hurdle

Expect Roosevelt's Power of Negotiation to Continue

Special Correspondence

WASHINGTON. — The President's power to negotiate reciprocal trade agreements appears certain to be renewed by Congress — although it may be subject to some qualification. In passing the bill last week the House of Representatives limited extension of White House power to frame tariff policies to two instead of the three years asked.

But Senator Walter F. George, chairman of the powerful Senate Finance Committee, and perhaps the man who commands the greatest power and prestige in that body today, has pledged his support to obtaining renewal of the act on the three-year basis sought by Secretary of State Cordell Hull. George does not lightly undertake such a task and this is a good sign.

The "Acid Test"

Secretary of State Cordell Hull and Under-secretary of State Sumner Welles deliberately made the renewal of the act a test of American foreign policy—the latter calling it the "acid test" of whether the United States is willing to collaborate in the postwar world.

The Republican opposition was reluctant to pin such importance on this bill. Welles' statement and Hull's refusal to compromise placed them in the difficult position of appearing to oppose foreign policy at a critical period.

The vote of better than three to one by which the House renewed the President's power—after first of course limiting it to two years—showed that the Republican leaders decided that it was better to avoid than force the issue now. If the act is only renewed for two years, of course, the tariff debate is likely to come before Congress again at a critical moment in postwar reconstruction, and if it stands as at present there will remain an element of doubt about the willingness of America to co-operate in achieving one of the major objectives of the Atlantic Charter—the reduction of trade barriers.

Industry Agrees

Both the National Association of Manufacturers, U. S. equivalent to the C. M. A., and the United States Chamber of Commerce, endorsed Secretary Hull's trade policy. The opposition centres in the agrarian middle west which is jealous of its domestic monopolies and is reluctant to surrender privileges in a market of high purchasing power.

The farmers see little prospect for overseas sales, in contrast to American manufacturers whose vision these days eagerly jumps the oceans and sees American equipment building Russian and Chinese industry and new markets in Latin America. Moreover, having come of age, U. S. "big business" is confident of its power to retain its command over U. S. markets.

In the House, curious echoes were heard of the ill-fated reciprocity agreement of Taft's day, that was defeated in Canada's election of 1911. The attitude of Taft and Roosevelt the First were cited by Democrats to their Republican colleagues to prove that the "giants" of the past favored reciprocity.

But when the farm bloc delegates were on the floor there were complaints about Canadian apples forcing Wenatchee farmers on relief. One Congressman figured that $66 millions worth of Canadian cattle had entered the U. S. market but had this beef been bred and raised on U. S. farms, he insisted it would have realized $99 millions for the American producer.

Opposition Policy

The real sting went out of the opposition, however, when Harrison Spangler, Republican National chairman, was revealed during the debate to have urged that opposition to the agreements should not be made fundamental party policy. Later he protested that his letter, which he said had been written in a personal capacity, should not have been used, but it did represent the sound judgment of his party. Only 61 votes were cast against the act.

This week the Senate opens its consideration of the bill. It can restore the act to its full three-year term, action which would probably be accepted by the House in the conference between the two bodies. But an amendment will be offered giving Congress veto power over the agreements.

This amendment, also offered in the House, was strenuously opposed because it was pointed out only three trade treaties were ever ratified by the U. S. Senate, a body traditionally opposed to international commitments.

Another amendment which will create some controversy is that offered by Senator Danaher, of Connecticut, who would have all the agreements terminate six months after the war ends.

But, with George's help, the administration is confident of its ability to ride the bill through with little change, perhaps only with the time limit reduced as in the House bill. Secretary of State Hull's prestige is high in the upper chamber, where he so long sat. His good-neighbor policy, his long fight for freer trade, are much respected, and the newspaper comment throughout the country has indicated that in general the public is behind him on the issue.

Offers Streamlined Tax Plan

Planta Would Combine Normal and Graduated Levies

A new method of income tax collection, suggested by E. S. Planta, general manager of the Vancouver News-Herald, is aimed at simplifying present procedure. Where employers now deduct 95% of the tax due, he would have them deduct the full amount, and eliminate the need of salary or wage earners to make annual returns.

Tax authorities interviewed by The Financial Post say his proposals have advantages and disadvantages, agree generally that they rate serious consideration.

Features of his plan are:

1. Normal and graduated tax to be combined in one percentage, and married and dependents allowances in each class of tax to be combined in one credit as exempted income.

Combination of the normal and graduated tax would be simpler but some tax students claim that it would be less fair than the present system. Giving credit for married and dependents allowance by exempted income rather than a direct deduction from the tax due would be a return to the system in force up to June 23, 1942.

Separate Savings

2. Compulsory savings to be separated from the tax itself by making a table for each to yield the same amounts as at present. This would have the advantage of letting the taxpayer know exactly where he stands. Exception, however, is taken to the use of the term compulsory savings which, it is claimed, is a misnomer. Refundable portion of the tax is the term used in the income tax act. Mr. Planta suggests the name Victory Deposits.

3. Newly married men or women to be treated as married from date of marriage only and not for a whole year as at present. Newborn children and new dependents and changes in rate of salary up or down to be treated on the same basis, the employer to adjust deductions from the next payday onward for employees affected.

These proposals are welcomed by some income tax authorities, who feel this system would be fairer than the present one, which gives a man who married in December a break, but is unfair, say, where a man comes into the Dominion from another country, as he might be taxed on income received before becoming a resident.

Remit Lump Sum

4. The employer would remit as a lump sum direct to the government each payday the tax portion collected, with no details as to employees names. Employers to pay to employer's bank savings amounts collected from the employees each payday, and to supply lists to the bank of all individual employees names and amounts saved.

Banks to open accounts for individual savers and pass books to be issued as with ordinary savings accounts. These accounts to be kept apart from any other accounts and to be frozen for the duration.

The banks to turn over these savings each month to the government, which is the borrower of all savings of this kind. The government, after the war, to pay back all savings with 2% interest to the banks, and the banks in turn to unfreeze the funds which will then be available to the individual savers.

The 2% interest to be computed semi-annually, the government to pay a nominal fee to the bank for its work, if thought desirable, rather than a higher rate of interest than 2%.

Save Work

This plan, Mr. Planta states would save the government and income staffs work right across the country while employees would see their savings accumulate under their eyes. It would also encourage thrift.

Some tax authorities take exception first to calling the refundable part of the tax compulsory savings. They also claim that the work would have to be done somewhere, if not in the income tax offices then in the employer's office, with no real saving in effort but with less facility than in an income tax office. It is also claimed that part of the taxpayer's money cannot be put into a savings account until his tax liability is fully paid up.

5. Employers to make one master return at the end of the year, showing employees' earnings, deductions, marital status, etc. This would eliminate all necessity of employees having to file a return, as all information would be supplied by the employer and 100% of the tax collected.

This, of course, would apply only to salaried or wage earning taxpayers. Professional people, investors, etc., would pay as at present by quarterly returns subject to suggested changes as regards allowances and simplified tax scale.

It is claimed by some that while this would save employee work of making a return, it would tend to make him less tax conscious and might lessen his interest in national affairs.

6. The government would issue a receipt to the taxpayer each year for compulsory savings, similar to the present war savings certificate.

Investment Income

7. All investment income small or large, such as bond coupons, etc., to be subject to a withholding tax of 25% (or another percentage to be regarded as fair), by the banks when cashing, the banks to pay the tax over to the government. Other investment income subject now to 7% deduction at the source to have 25% deducted and remitted to the government.

Salaried and wage earning taxpayers to be entirely free of further tax when this is deducted and paid. Other classes of taxpayers, such as investors, to pay any additional tax on their quarterly return.

100% Deductions

8. Employers to make exact 100% deductions and avoid the jumps in scale as at present where deductions are the same for different wage brackets.

Charitable donations, Mr. Planta assumes, are so small with most people, they make little difference in the way of adjustment or refund to the individual taxpayer. He suggests that with amounts over $50 a year the taxpayer claim a refund at the end of the year, as in the case of medical expenses over 5% of his income.

B. C. Plans Trade Development With Pacific Slope States

From Our Own Correspondent

VANCOUVER.—British Columbia businessmen are undertaking a significant experiment in developing trade relations as a means of solidifying goodwill between Canada and the United States on the Pacific slope.

The Vancouver Board of Trade, one of the most influential sectional bodies in Canada, is sending a strong delegation to a Seattle conference with officials of the Seattle Chamber of Commerce and representatives of Portland business groups.

This is the first time in history that there has been such an international gathering. While there have been countless meetings of a fraternal and community nature, many of them designed to develop the tourist industry of the west coast, the Seattle meeting will pioneer the movement for greater dollars-and-cents business between various sections of the Pacific northwest.

The conference will discuss the future development of the northwest, including Alaska and the Yukon, and specific problems for international co-operation in industrial and trade activity. It is expected to result in the formation of a permanent committee representing all important business centres in British Columbia, Washington and Oregon, with possible representation from Alaska and the Yukon.

The Pacific northwest is greatly interested in plans of the joint committees recently announced at Washington and Oregon to explore the possibilities of economic expansion in the million-mile area comprising northern British Columbia, the Yukon, part of northern Alberta and the North West Territories and Alaska.

A preliminary meeting of these groups was recently held in Seattle, attended by Dr. Charles Camsell and Russell K. Odell, representing the Canadian government.

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Canada Plans For Peace In War Shipbuilding

Present Policy Foresees Conversion, Larger Postwar Fleet, More Employment in Merchant Marine, Howe Tells House

Use of the Canadian merchant marine as a substantial source of postwar employment is the goal of the policy presently being followed by the Dominion Government, according to a statement on shipping in the House last week made by Munitions Minister Howe.

At the end of the war it is likely that Canada will own more than 200 ships, less those which have been sunk. From 70 to 75 ships have been sold for cash to the United States, but it is felt unlikely that more will be sold in the near future, unless "an acute situation" should arise in U. S. exchange, making sale necessary so that Canada may obtain more credit in the U. S.

Canadian ships now operate under a system similar to that of Great Britain. Ships from Canada are turned over to an operating firm known as Park Steamship Co. Vessels are chartered for one voyage only, and are allocated by the company to existing shipping lines which in the past have operated certain routes from Canada. The various lines have agents in the ports of call on the ships' routes.

Depending on the service in which ships are placed for any given voyage, they may be transferred from one shipping line to another. A ship required to go from Canada to Australia, for example, would be placed in the hands of one company, but on completion of the voyage if it were necessary for the ship to go to England rather than return it might be transferred to another operating company.

Write Off Costs

Canadian flag ships sail for a small fee and earnings are placed in a special fund to write off their original cost; so that at the end of the war it is believed that a substantial part of the outlay will have been covered.

Canada has no representation on the shipping board, which consists of only two men, one on behalf of Britain and one on behalf of the United States. It is understood that there has been no difficulty in relations with the board, and Canada, in comparison with other allies such as Norway and some of the Mediterranean countries, is not a large operator of ships.

The Canadian shipping board has a representative in Washington, in close contact with the master board. The combined groups are kept small as a matter of policy so that they will be workable, but Munitions Minister Howe has stated that a time may come when Canada will feel her shipping to be of sufficient importance to merit her a place on the combined board; at that time a request will be put forward.

Part of the work of the board in past months has been allocation of tankers to bring petroleum products to Canada, and it is felt that the decisions of the two-man committee, who must consider also the needs of a number of countries for petroleum, have been fair.

Chartered to Britain

At present ships are also being chartered to Britain on a bare boat basis. Their title did not pass from Canada under the previous billion dollar gift made to Britain nor will it under the new Mutual Aid Bill, which also provides Canadian assistance to Britain and the allies. The cost of the ships may be charged to the mutual aid appropriation, but their ownership will remain Canadian. The charter fee is a dollar a year.

Mr. Howe states that Canada's shipbuilding policy has been consistent from the outset of the war, when there was virtually no shipbuilding industry here, and the first necessity was to obtain vessels for the escort and for defense of Canadian ports.

A program of minesweepers and corvettes was begun and, allowing time for building up personnel and getting plant organization at working pitch, it continued at capacity for some 18 months.

By that time Navy requirements had been met to a degree which allowed a certain amount of diversion of production to other types.

However, by early in 1941 the enemy U-boat campaign had reached dangerous proportions and the situation of allied shipping lanes became tight.

About the middle of 1941 the need arose for more allied merchant ships and at that time certain Canadian yards converted to that type of building.

Two Types

In 1941 Canada undertook to build two types of merchant ship, and by the end of the year four or five vessels had left the ways.

At this time the shortage in Canada of United States dollars became acute. Merchant ships had begun to come from the yards and under the Hyde Park agreement it was agreed that the United States would purchase ships from Canada to counterbalance the short credit.

In 1942 Canada's production passed the million-tonnage mark, making manning of Canadian merchant marine vessels a difficult problem. It is stated that Canada has consistently retained all the ships for which she herself was able to provide adequate crews.

Training schools for the merchant marine have been organized and have proved more than successful, but since it takes at least four years intensive training to turn out a captain or an officer, the manpower problem has not been entirely solved. In the Canadian merchant marine prior to the war were a number of these officers, however, and a few have been borrowed from the British mercantile marine.

At present the Canadian service has some 16 or 17 new ships.

The majority of Canadian shipyards are converting to construction of the Victory type of ship, originally built by the United States. This and the North Sands type which Canada produced earlier in the war are capable of 12 to 13 knots, adequate for a 10-knot convoy, which is the fastest employed at present.

While advantage is seen in faster cargo vessels there is a difficulty in construction in that to double a ship's speed the engine capacity must be increased four times. With this greater capacity the type of engine must be very different from that of smaller ships, in order to conserve space.

High Standard

Canadian ships now being turned out are designed by the world's most expert builders as the best suited for present conditions. They are said to be well built, simple of construction and capable of mass production, and found to be highly favorable by their operators.

They have reciprocating engines, which can be either coal or oil-fired, and which can be built in an ordinary machine shop, not involving turbines which require an extremely high type of workmanship. Victory ships are oil-fired while the North Sands type burn coal.

Canadian engineers today are studying designs for a faster ship suitable for postwar requirements. It is hoped that plans will be ready for almost immediate conversion to fast-type construction when the war is over.

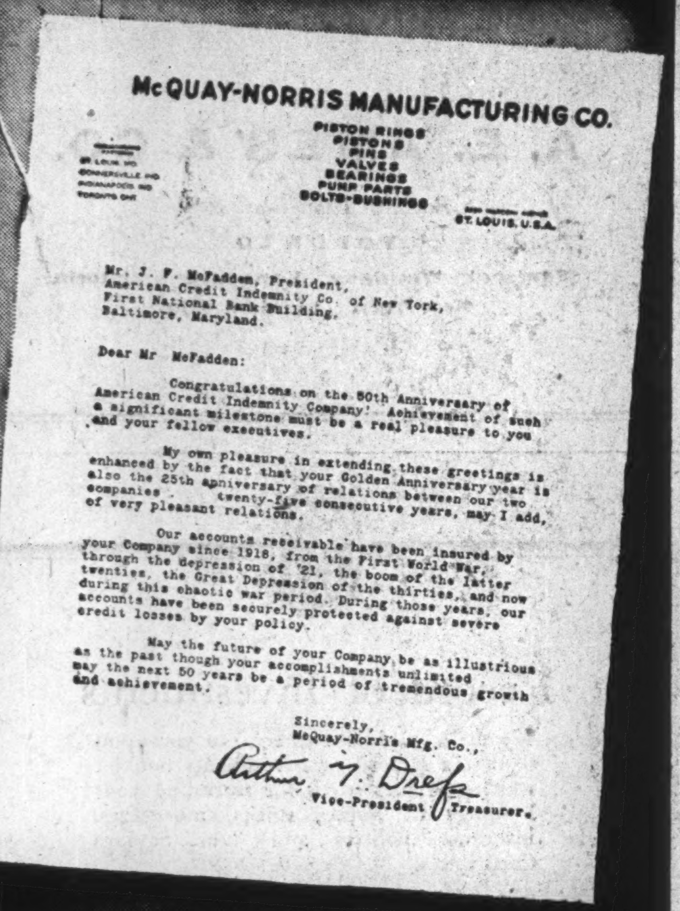
N. B. Railway Sells Block of Timberland

New Brunswick Railway Co. is reported to have sold 210,000 acres of timberland along the Restigouche River in Restigouche County, to the K. C. Irving interests of Saint John.

Mr. Irving is head of Irving Oils and other Maritime enterprises and recently purchased a pulp mill at Dexter, N.Y. He is also understood to have become associated recently with D'Auteuil Lumber Co., a firm operating in Quebec.

Some lumber mills in the vicinity of Campbellton have been drawing their supplies of long lumber from this Restigouche River tract, but it is not known whether they will continue cutting stumpage there with the land under the new ownership.

50 YEARS OF PROTECTION



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Dear Mr McFadden:

Congratulations on the 50th Anniversary of American Credit Indemnity Company! Achievement of such a significant milestone must be a real pleasure to you and your fellow executives.

My own pleasure in extending these greetings is enhanced by the fact that your Golden Anniversary year is also the 25th anniversary of relations between our two companies . . . twenty-five consecutive years, may I add, of very pleasant relations.

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Sincerely,
McQuay-Norris Mfg. Co.,
Arthur T. Drefs
Vice-President Treasurer.

50th Year
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1893 1943

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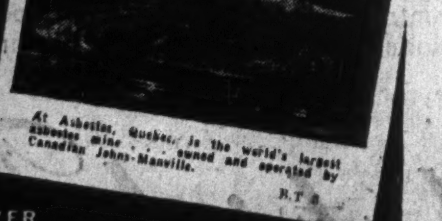

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We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

Income Tax

Directors' Fees

Where a firm pays a fee to its directors, should it deduct income tax at time of payment or is it in order for the directors to report the fees with their income and pay tax thereon along with their other income?

The firm should deduct tax when paying the fees.

Man in Army

A man's wages for nine months in 1942 are $1,900. Then he joins the army as a private. His army pay and allowances as a married man for the balance of the year come to $168. His wife earns $1,000 during the year. Can he be classed as single, and who claims deductions for two children?

Because his wife's income is earned the man can claim married status on his civilian income. His army pay is not taxable because he was not commissioned. Either the husband or wife can claim the deductions for the children.

Bonds Are Called

I have some bonds of the Windsor Arms Apartment Hotel with a par value of 100 being called at 102. Is the amount of premium I receive liable to income tax?

Yes. The premium of $2 on every $100 par value is taxable as income. The principal amount is not taxable.

Investments

Bruck Silk

Will you please let me have a brief report on the position of Bruck Silk Mills?

Bruck Silk Mills' sales in the first four months of the current fiscal year, which ends Oct. 31 next, have shown a rising tendency and it is hoped this trend will be maintained if sufficient raw materials are obtainable. In the last fiscal year sales showed an increase of about 20% over the previous year.

Net trading profit was higher, but net profit was lower, due to increased taxation. Earnings were equal to $1.49 a share, compared with $2.14 in the preceding year. Dividends of 30 cents a share annually are being paid, and in this connection Isaac L. Bruck, president, said at the annual meeting the directors had given thought to the matter of increased dividends.

At the same time he said a substantial reserve should be accumulated for the postwar period and action will be taken on an increased dividend if the directors deem it advisable.

Commercial Alcohols

As a subscriber of The Financial Post, I would like to have a report on Commercial Alcohols Ltd.

Commercial Alcohols Ltd.'s report for the year ended Mar. 31 last will not be available for another month. Interim reports would indicate a further expansion in business and profits. In the 1941-42 fiscal year the company had a net profit equivalent to 35 cents a share on the outstanding common stock. This contrasts with 28 cents a share in the previous year. The company is paying a dividend of 20 cents a share annually, this rate having been initiated in the 1942 fiscal year. Plant capacity has been increased to handle war orders, latest addition being completed last November and adding about 20% in new capacity.

Consumers Glass

Would you please let me have your comments on the common stock of the Consumers Glass Co.?

Consumers Glass Co. is one of the principal glass manufacturing concerns in Canada. It is ably managed and over a period of years has shown a well-established earning power. Earnings in the last eight years have averaged better than $2 a share. A large earned surplus has been built up and the company appears in a position to maintain the present dividend rate of $2 a share.

Dominion Perpetuals

I notice Dominion 3% perpetual bonds quoted below other Dominion bonds. Can you explain this?

At the present price of around 95, Dominion 3% perpetual bonds offer a yield of approximately 3.16%. This compares with a yield of 3% available through current Dominion war financing.

This disparity in yield is due solely to the fact that these bonds have no maturity date. They have displayed this condition customarily in much the same way as have British Consols which are perpetual loans floated by the United Kingdom. There is no difference in the security offered. These bonds are redeemable on or after Sept. 15, 1966, at par.

Tax Free Bonds

Are there any Dominion of Canada bonds outstanding which are exempt from income taxes?

There are no tax-free Dominion bonds outstanding. Several such issues were sold during the last war but the last remaining issue bearing this tax-free covenant was redeemed several years ago and none has been issued since.

Peace River Coal Fields Developed This Year

Two Deposits to be Worked by Private Interests — Further and More Diverse Geological Work to be Carried on

From Our Own Correspondent

VANCOUVER.—Belated recognition is being given to the extensive coal deposits of the Peace River country in northeastern British Columbia.

It may be remembered that last spring and summer during construction of the Alcan Highway, a considerable quantity of coal was transported by steamship, rail and truck to northern work camps, all the way from Seattle, despite the fact that near Hudson Hope in the Peace River country, barely 50 miles from the highway itself, there was ample coal for all requirements.

The coal is of high-grade bituminous type, almost ash-free.

Private contractors are now showing an interest in these deposits, and their application to the Provincial Government for authority to mine 50,000 tons this year indicates that development of the field will soon be carried out to an extent commensurate with the economic importance of the area.

Two Deposits First

Two deposits are to be worked at first, according to the contractor. One is at Hudson Hope and the other at Hasler Creek. Hauling coal from Hudson Hope will necessitate the improvement of a 64-mile road to Fort St. John. From the Hasler Creek operations there is a good dirt road 97 miles to Dawson Creek. Coal from the latter deposit was used by the drillers of the ill-fated oil well at Commotion Creek.

Dr. John F. Walker, Deputy Minister of Mines, says that the extent of the deposits has yet to be determined, although indications are that a major coal field is there. There is no doubt about the quality of the coal, however, analysis having shown it to average 75% fixed carbon, 20% (plus) volatile and about 5% ash.

Development of the coal deposits, limited as it may be during the coming year, is one more sign of commercial expansion in the north country, largely as a result of the train of events following in the wake of the Alaska Highway project.

Geological Study

During the coming summer several geological parties will be working in the country tributary to the highway with a view to studying the mineral possibilities, special emphasis being given to the prevalence of war metals.

Geological knowledge of the area at present is confined pretty much to general reports, and the fact that the prospectors of the past were chiefly concerned with showings of gold left a large void in respect to the possibilities of finding such metals as scheelite, cinnabar, antimony, chromium, molybdenum, manganese, etc.

Real progress is being made in the way of international collaboration for expansion in the Pacific northwest. In Seattle during the past week, Dr. Charles Camsell, Deputy Minister of Mines and Resources, head of the Canadian group represented in the joint economic committee for planning northwest development, conferred with James C. Rettie of Portland, Ore., holding a corresponding position with the U. S. group.

Russell K. Odell of Ottawa, B. H. Kizer of Spokane and other leading figures in the movement took part in the conference, which provided a broad outline for future collaboration in exploiting the economic potentiality of the million-mile area encompassed by Alaska, Yukon, north British Columbia and a part of northern Alberta and the North West Territories.

But impressive as were the statements of the conferees regarding the possibilities of the area, it was apparent that there is still a lack of detailed knowledge and during the coming years both countries, working through the joint economic committees, will endeavor to add to the store of knowledge vital to the success of the international program.

Ford Foundry Expansion Nears Completion

Company Has Spent $11.5 Millions to Increase War Output Since 1940 — Expect Completion by September

Expansion of foundry and heat-treating facilities has been the outstanding project undertaken by Ford Motor Co. of Canada since the war began, W. R. Campbell, president, pointed out at the recent annual meeting of shareholders. This expansion will be completed about Sept. 1, 1943, and will represent an expenditure of $5.2 millions.

At present foundry equipment consists of 12 electric and two coal-fired furnaces, together with complementary installations of core-making, molding, cleaning and heat-treating equipment, the whole capable of producing 300 tons of cast steel and 80 tons of cast iron daily.

Final stage in the project shows the foundry building being extended by 68,280 sq. ft. Six additional electric furnaces are to be installed together with necessary additions to other categories of foundry and heat-treating equipment. The building when completed will cover an area of 216,000 sq. ft. and have a daily production capacity of 450 tons of cast steel and 80 tons of cast iron.

Total cost of the company's foundry and heat-treating facilities, including the pre-war investment and additions completed or in progress, will be $7 millions.

Better Postwar Cars

This and other plant improvements are expected by Mr. Campbell to contribute to production of better products after the war.

Availability of markets will be a matter of vital importance, he adds, and merchandising opportunities will largely depend on the character and terms of the agreement which the Canadian Government may make with other British Empire countries and the United States, as it is only within the bounds of such national and international policies that individual industries can chart their future course.

Quarter Million Army Trucks

From the start of the war to April 15 this year the company has shipped more than a quarter million vehicles of conventional and special types for military purposes.

Last year's output of automotive units increased 1% over the previous year to a total of 111,839. This included 97,250 vehicles for military requirements and 1,512 tractors imported from the United States and distributed here.

Indicative of the change which military requirements make in the company's business is the greatly increased sale of repair parts which amounted to $35.7 millions in 1942. This was 20.1% of the total value of the year's output and compares with 9.5% in the pre-war period.

It is explained by the fact that military requirements for repair are higher than civilian because of the conditions under which each vehicles serve and also because of the need of military authorities to maintain large reserve stocks at numerous locations.

Financing Expansion

The approximately 300% increase in volume over pre-war years has made necessary for Ford an expansion of about one third in production facilities of which 45% has been financed by the company and the remainder by the Canadian Government.

Total cost of extensions to buildings and installation of new equipment for war production in the last three years has been less than 4% of the value of the products already supplied for military requirements in the same period.

The company's net profit after taxes last year was equivalent to 2% of the total value of output, which compares with an average net profit after taxes of 7.6% of the value of output in the four-year period from 1936 to 1939 inclusive.

Average annual return on the company's net worth during the 1940-1942 period was 7.5%, which compares with an average return of 8.9% during the four pre-war years.

From 1940 to 1942 the Ford Co. has spent $5.2 millions for plant and equipment acquired solely to produce military supplies. During that period it has charged off $4.3 millions of these expenditures as special depreciation. Since the war began, government-owned machinery and equipment valued at $6.3 millions has been installed in the company's own, or in its subcontractor's plants.

Ford's general policy with regard to additions to plant and equipment necessary to fill war contracts is that the company is to finance and retain ownership of building extensions and other fixed installations. The government finances and retains ownership of machinery and equipment that can readily be removed without destruction or disproportionate impairment of value.

American Celanese Corp. Net Profits Upward

American Celanese Corp. reports net profit for the first quarter of 1943 of $1,985,840, after provision of $3,392,316 for federal taxes on income. This was equivalent to $1.01 a share on the common stock. For the like period last year the company had a net profit of $1,953,881, or 98 cents a share.

Net income for the 12 months ended last March amounted to $7,130,477 after federal tax provision of $11,667,316, compared with $7,470,812 for the preceding 12 months, when tax provision was $9,739,597.

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VICTORY LOAN HEADQUARTERS

Back on the Job

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Should Life Companies Enter Housing Field?

Experience of Metropolitan Turns Attention of Canadian Executives to Possibility of Increased Returns and Public Service

Faced with a declining yield on their investments, Canadian life insurance companies are much interested in the latest housing project of the Metropolitan Life Insurance Co. in New York which promises a better than average return on policyholders' funds.

This project, the largest housing development ever undertaken in Manhattan Island, involves the clearing of 18 square city blocks on Manhattan's East Side, comprising 72 acres. The company proposes to clear these and erect apartment houses covering 25% of the area. The estimated 3,000 apartments are planned to rent for about $14 per room, a month on the average.

21 Years' Experience

Metropolitan's direct investments in housing began in 1922 when it put $7.5 millions in the construction and operation of three housing projects in New York. Decision to go ahead with the new undertaking after 21 years' experience is regarded as strong evidence that previous ventures of the kind have been satisfactory. These housing investments have been made under special enabling legislation. One previous development quite similar to that now proposed is the Parkchester apartment project in the Bronx. This development contains 12,273 apartments renting for about $13 a room a month.

The company has other housing projects in Los Angeles, San Francisco and just outside Washington. Under New York state law, life insurance companies incorporated in the state are permitted to invest up to 10% of their assets in low rent housing. The terms of each company charter, of course, have a bearing on its investment powers.

Canadian Insurance Law

In Canada, apart from the terms of the company's charter, the Canadian and British Insurance Act debars any insurance company from investing in real estate except—

Real estate that is reasonably required for the company's own use, having due regard to probable expansion.

Real estate that comes to its hands in satisfaction of debts or judgments, that is, by foreclosure, etc. In such cases a company is required by the act to dispose of all land not required for its actual use within 12 years unless an extension is obtained from the Dominion Treasury Board.

Accordingly it appears special legislation is necessary in Canada to enable Canadian companies to enter the housing field.

Advantages Seen

Canadian insurance executives interviewed by The Financial Post saw considerable advantage in changing the law to permit Canadian companies to make direct investments in housing developments. Such investments would not be in the nature of speculations. Nor is there any desire to see life companies go into trading in real estate and houses. Rather is the idea to enable the companies to make long-term investments where a better rate of interest would be available than might otherwise be obtainable.

Arguments in favor of making direct housing investments available for the life companies, expressed by one company executive, were:

Life insurance contracts are long term. Accordingly long-term investments over the life of a well-built fireproof residential property would be highly suitable.

Life insurance company interests centre a great deal around human welfare and the provision of moderate-priced housing accommodation for people in the lower and medium income groups falls well within their sphere.

After the war much new housing will be required and the insurance companies will have the money to assist greatly in such measures.

Could Limit Return

It has further been suggested that, if thought desirable, legislation could be framed to limit the investment return to a stated percentage allowing sufficient for amortization of the initial investments over a term of years. Thus a life insurance company could not only help provide housing but with general advantage make a fair profit.

One feature to be considered in regard to life insurance companies owning apartment houses as investments is that their tenants in many cases would be drawn from their policyholders and vice versa. Thus the companies would have a double interest in holding rents at a reasonable level, while improved housing conditions probably would tend to prolong life of the tenants. In the case of the Metropolitan it is pointed out that about one in every three city dwellers in the United States is insured in the company.

Reduce Cost of Insurance

A better interest return for the companies would ultimately help to reduce the cost of insurance.

In Canada premium rates in recent years have tended to rise as interest rates dropped. In 1929, for instance, the average interest return on life insurance investments was 6.48%; in 1941 4.24%. Accurate average figures for 1942 are not yet available, but the rate of interest earned by the majority of the individual companies was lower than in the previous year.

If the general experience of life companies like the Metropolitan has been satisfactory, Canadian companies feel there would be a general advantage in authorizing them to enter the same field.

Ride-sharing Won't Invalidate Automobile Insurance Policies

Under an agreement between the Transit Controller and the insurance companies licensed to write automobile insurance in Canada, participation in ride-sharing plans by an automobile owner will not be raised as a breach of policy conditions vitiating the contract.

Statutory conditions of the standard automobile policy prohibit the private passenger car being used, without permission and the payment of an additional premium, ". . . for carrying passengers for compensation or hire."

In some quarters doubt arose whether carrying passengers on a ride-sharing plan might be interpreted as carrying passengers for compensation.

It was feared that where an automobile owner had not obtained consent of his insurance company to take part in such a plan and had not paid an extra premium, some companies might refuse to pay a claim under the public liability, property damage or collision cover. The companies have now agreed not to use this as a defense against paying any claim.

Passenger Hazard

The companies, however, do not assume liability for injuries sustained by any passenger under a ride-sharing scheme except when such coverage is provided in the policy or by express endorsement thereto. Passengers carried under a ride-sharing plan evidently are to be regarded as free passengers.

This insurance coverage and the ride-sharing plan are distinct from the War Industrial Transit Plan and the insurance provided under it.

Quebec Amends Succession Act

Bill Tightens Up on Old Statute and Gives Relief to Small Estates

From Our Own Correspondent

MONTREAL. — Quebec's Succession Duties Act amendments, designed to afford greater relief to small estates, has been passed by the provincial Legislature.

Approval was given after considerable discussion and amendments to the original bill.

A series of amendments were made to section 27 of the Act, the purpose of which is generally to prevent companies taking out insurance policies on executives and then paying the insurance money to widows of such executives, without payment of succession duties.

Another amendment was made to section 45 as regards the power of the Department of Revenue to allow heirs to secure money prior to the complete settlement of succession duty claims. Section 4⁵ permits an insurance company having an office in the province to pay up to $1,500 to a consort, son or daughter, father or mother, son-in-law or daughter-in-law, step-son or step-daughter of the deceased, without waiting for the payment of the duties and the issuance of the certificate.

The amendment goes still further by permitting the Department to authorize a payment in any case if the amount is required for paying duties imposed by the Act or debts of the estate.

Still another change was the clause dealing with Province of Quebec succession duty exempt bonds. Under the revised act estates are prohibited from using the same tax free bonds twice.

Bank of Canada Assets Lower

Total assets of the Bank of Canada show a slight decline in the report for the week ended May 12, the total being $1,177 millions. The decline was entirely in short-term government issues and sterling exchange, holdings of long-term bonds being higher.

On the liability side, note circulation was higher but total deposits and miscellaneous liabilities were down.

	May 12 1943 $	May 5 1943 $
Liabilities		
Capital paid up ..	5,000,000	5,000,000
Notes in circ. ...	747,478,816	748,208,567
Rest fund	6,472,953	6,472,953
Deposits: Dom. ..	56,241,473	102,168,286
Banks	319,893,655	275,148,968
Other	26,284,311	29,758,909
Total deposits ...	402,419,439	407,076,163
All other	16,357,692	19,020,846
Total liabs.	1,177,728,700	1,185,778,529
Assets		
In Sterling & U.S.	579,023	8,144,023
Subsid. coin	148,892	140,086
Advances	625,000	625,000
Investments:		
Dom. gov. sh. .	845,982,433	856,771,825
Other Dom. gov.	290,549,708	284,855,769
Total invest.	1,136,532,141	1,141,627,594
Premises	2,100,530	2,100,284
All other assets .	37,743,114	33,141,542
Total assets	1,177,728,700	1,185,778,529

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R. E. Stavert, vice-president of Consolidated Mining & Smelting Co., who has been elected to the Canadian Board of Trustees of Guardian Assurance Co. of London, Eng.

Feel Insurance Firms Entitled To Fair Profit

Survey Shows Agent Regarded as Best Source of Service

Strong support of private enterprise is given in a national public opinion survey recently conducted for the Bureau of Advertising, American Newspaper Publishers Association by Industrial Surveys Co.

Over 98% of the people interviewed asserted that insurance companies are entitled to a profit. The majority think a profit of about 10% is fair, but some would allow 20% and even 50%. Some 75% of the people indicate a belief that agents' commissions range between 10% and 29%, with a few thinking the rate may be as high as 50%. The majority believe a commission rate of 10% to 29% would be fair.

Nearly two thirds of the people regard the general insurance business as honest and efficient and the remaining one third as no better and no worse than any other business.

All Lines Except Life

The survey, which covered all kinds of insurance except life, was based on 23 questions framed by a committee of insurance, advertising and public relations managers.

Over 83% of those interviewed regard the local insurance agent or broker as the best source of insurance service. Other methods of service included in the question and the choices given them were: mail to insurance companies, 9.8%; insurance company employees; 5.7%; stores, 1.7%, and banks, 0.01%.

Choice of a company is left by 55% of the people to the broker or agent with 45% specifying the company with which they want to insure.

Reasons given in the survey why people deal with an individual agent were 45.1% because of his good service, and 36.4% because of the companies he represents; with other reasons in order being personal friendship, the agent's standing in the community, and business reciprocity.

Some 96.9% were satisfied with the services of their agents or broker; 3.1% were dissatisfied.

Written Statements

Slightly over 19% had been furnished by their agents with written statements of insurance needs; 69.2% said their agents had failed to do this. More than 40% would like to have such a statement; nearly 49% would not and 11% failed to answer.

More than 76% know that substantial resources are kept by the companies to pay claims and meet catastrophic losses. Only 15.6% think the object of these resources is to increase the profits.

The public is completely bewildered regarding changes in insurance rates, about equal numbers thinking they have been increased; been decreased or remained steady.

In selecting a company, the survey says the most important thing is financial stability. Some 75.7% of the people want to have their insurance placed with a company whose financial condition is above question. Second most important factor is the company's record for paying claims. The price of the insurance is regarded as unimportant compared with the other two factors.

Bank Chat

Banks and Fourth Loan

Branches of the Canadian chartered banks have taken a more aggressive part in the recent Victory loan campaign than in previous ones. Previously, by arrangement, they confined their activities mainly to providing credit for those who wanted to buy bonds on the installment plan, and to the mechanical work of distributing the bonds when paid for. This time, the branch staffs, while not actually canvassing their customers to buy bonds suggested purchase to those they knew have the money to buy them. It is believed in this way large amounts of savings in the banks, previously untouched were tapped for the Victory loan.

Cash and Bank Deposits Show Ratio of One to Five

Proportion Approximately Same as in United States, Comparison of Statistics Indicates; Note Circulation Rises Rapidly

Canada and the United States appear to be using just about the same amount of currency in relation to their bank deposits.

Paper money and coin in circulation in the United States, according to figures given in the Federal Reserve Bulletin, amount to approximately $16 billions, while total bank deposits are given at $85 billions. This is a proportion of about 1 to 5.31.

In Canada, according to the latest complete figures available, total circulating media in the hands of the public is $711 millions, while total bank deposits, including those of the Dominion and Provincial Governments, are $3.8 billions, a proportion of currency circulation to deposits of 1 to 5.36.

The two items, currency and bank deposits, represent the money by which the business of the country is done. The figures may not be absolutely comparable because of differences in reporting in the two countries.

Normally bank deposits transferable by cheque are considered the kind of money by which the bulk of business is done. Actual currency is the small change of business. Both have their advantages for special purposes.

Since the war began both have shown substantial increases due to the expansion in business, but of the two currency has increased much more. For example in Canada bank deposits on March 31 were over $3.8 billions compared with $2.5 billions on March 31, 1939, an increase of over 50%, while active Bank of Canada and chartered bank note circulation, the two principal types of currency in use in the country, increased by more than 220%.

Much of the increase in actual cash has been due to the larger payrolls in industry and the armed forces, paid in cash.

Active circulation of Bank of Canada notes, which is exclusive of the notes held by the chartered banks in their tills, is considerably less than the actual total note circulation. The chartered banks find it necessary to keep large supplies of cash to meet demands for currency that may be made. These Bank of Canada notes in the chartered banks' tills are not included in the active circulating media. If they were included the total amount of currency would be increased by about $108 millions.

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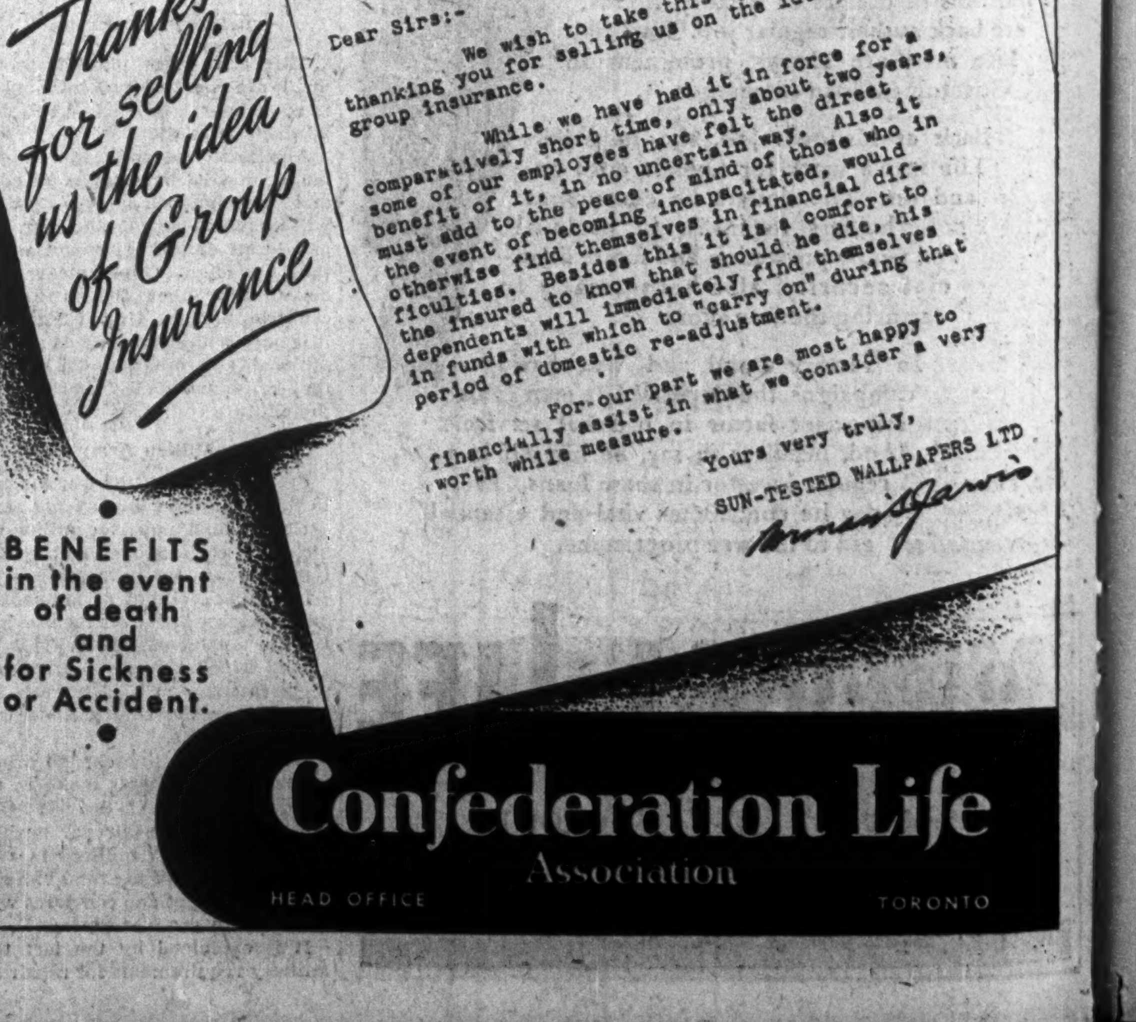

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Resume Gold Mine Hunt

Diamond Drilling Revived as Regulation Clarified

By GORDON M. GRANT

Diamond drilling of gold prospects is proceeding actively in Canada with the approval of the Metals Controller's office, it is learned.

Apparently the Government believes that a limited amount of drilling for gold prospects is not out of line with the present situation and entertains, with the industry, the hope that new gold mines will be found for postwar development.

Ruling Misunderstood

When the Metals Controller's "freezing order" for mining was instituted June 22, 1942, diamond drilling for gold was generally assumed to be banned. Drilling was curtailed and inactivity gripped a number of promising properties.

Either the order was misrepresented then, or there has since been a reinterpretation, it now seems. Whichever is the case there has been a marked resumption of drilling lately.

The present interpretation of the June 22 order is that elimination of development at non-producing properties referred only to work on underground openings such as drifts and crosscuts.

Diamond drilling is today defined as surface exploration, and is not frozen.

Under this interpretation, a permit is not actually necessary for diamond drilling but in practice a permit is secured to keep the Metals Controller informed of work contemplated.

Doesn't Cost Much

Expenditure of material and labor for a limited amount of gold drill work is not expected to bulk large. Diamond drilling requires little manpower, drills are available already. If insufficient base metal and strategic mineral finds are ready to keep drill rigs operating, diamond drilling of gold prospects may actually assist in keeping skilled drill crews together, allowing the testing of war mineral deposits later on.

If requirement of drills for base and strategic minerals should become so great that an overall shortage of drills should develop, it will be comparatively simple to pass an order suspending drilling of gold properties for the time being.

Larder Lake Booms

Renewed diamond drilling of gold prospects is most noticeable in Larder Lake. With both Kerr-Addison and Chesterville — the area's two leading producers—continuing to make outstanding ore news, no less than four neighboring properties have either commenced diamond drilling or plan to start drilling shortly.

Armistice—west of Kerr-Addison—started a drilling campaign recently and it has been followed by Pelangio Larder which holds a large block of claims adjoining Chesterville to the south. Pelangio has its first hole half completed.

Further to the west, east of Omega and immediately south of the Amalgamated Larder property, Moosewood has arranged financing for a diamond drill exploration program. Highridge Mining Co. has acquired a group of 16 claims east and south of Chesterville Larder Lake and a program of diamond drilling is projected.

Drilling in Manitoba

Some diamond drill exploration for gold is going on outside the Larder Lake area but most of it is being done quietly by one or two of the larger operating companies. For instance, one eastern Canada gold producer has an X-ray drill at work in Manitoba.

If the Metals Controller allows diamond drilling for gold to be continued, there is a good chance that drilling may become still more extensive than at present despite war difficulties.

It is understood that one east Kirkland Lake gold mine, now closed down, is planning to put a drill on the property this summer to further outline a body of ore partly blocked out. Private interests will finance a drill test of a "Geological bet" at the Cockeram Red Lake property this summer, it is understood.

Can They Finance?

Ability to finance will probably be an important determining factor as far as extent of current drilling is concerned. Higher gold stock prices encourage investors to speculate in new issues and some companies may be able to raise further funds. Some have the money in their treasuries already.

Even if results of diamond drilling at some properties are of the most favorable character, however, it is still impossible to carry work underground. There appears no prospect of any immediate change in this situation. Opening up of new gold mines is still on the forbidden list.

It is understood that a proposal was made to the Metals Controller recently that a large Manitoba gold mine owned by Howe Sound Co. be opened up as a source of arsenic, which occurs with the gold, but the idea was rejected even under this condition.

Helps Postwar Picture

Diamond drilling of gold prospects is now one of the few factors working towards eventual reversal of the downward trend of gold production. When the war is over, a number of gold prospects tested by drilling could readily form the basis for a revived industry.

It is no secret that prospecting for base metals and strategic minerals has resulted in a considerable number of gold discoveries which are being kept "under wraps." With diamond drilling possible, some of these new finds may be brought along to the shaft stage before the war is over.

High Grade Ups Net of Broulan

With the mining of unusually high-grade ore continuing throughout the first quarter, Broulan Porcupine Mines experienced production and profits far in excess of what the management considers normal.

Estimated profit for the first quarter amounted to $128,065 or 4.7 cents a share after allowances for depreciation, deferred development and taxes.

President Bert W. Lang stresses, however, that "this profit cannot be considered normal as grade of ore was about 25% above mine average," and because "taxes are lower than will be experienced later in the year as the company's exemption from the 18% corporation tax expires May 4, 1943."

Actual recovery in the first quarter amounted to $320,669 from 30,010 tons milled, an average recovery of $10.01 a ton, compared with the average of ore reserves of $7.97 shown in the last annual report. Recovery for April amounted to $128,051 from 10,371 tons, or $12.35 a ton.

Working capital at Mar. 31, 1943, amounted to $485,810 equal to 18 cents a share.

East Crest-Davies Program Starting

Spudding in of the first of a series of East Crest-Davies Petroleum wells on the Athabaska structure was scheduled to get under way May 19 with presidents of both companies at the drill site this week.

After some delays in securing equipment, all essential items have been delivered, a derrick has been erected, and it is expected fairly rapid time will be made with actual drilling.

Oil in Previous Well

Site of the first well is approximately a mile west of the discovery well, Athadome No. 2. The Athadome well, drilled in 1933, found oil in a 50-ft. sand at 1,651 ft. depth, the sand being described by Geologist Dr. J. O. G. Sanderson as thick enough to contain abundant oil.

Since the wells are to be shallow, drilling each well should not take longer than 10 or 12 days, it is stated, although initial wells may take longer due to coring, electro-logging and tests.

A total of 54,000 acres is held jointly by East Crest and Davies. Well spacing, one well per 10 acres, is allowed in this area.

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Prospectors' Association Seeks Data on Tax Concession Value

In a letter to its 8,000 members across Canada, the Prospectors and Developers Association asks members to forward to the Toronto office data on money expended on prospecting in Canada.

This information is desired to determine the value of tax concessions granted on prospecting for channelling funds into prospecting.

The association is taking a stand against the practice which has grown up of granting large exclusive areas for prospecting, a practice which is in effect in several provinces. While this practice may be justified in special instances, the association feels that it is highly dangerous to the prospecting profession.

The letter to members also states that a brief opposing certain sections of a proposed extradition treaty has been endorsed and that arrangements have been completed to lay the association's views before authorities at Ottawa.

Talks given by 44 speakers in a lecture tour across Canada, sponsored by the Prospectors and Developers Association, are being published in the form of a booklet, it is stated.

Mining Company Reports

Gunnar Gold

Since its gold mine was closed down May 8, 1942, Gunnar Gold Mines has sold off some equipment and at Dec. 31, 1942, working capital amounted to $578,552 or 21.4 cents a share or 2.9 cents a share more than at the end of the previous year.

A shipment of 100 tons of chrome has been made from the Bird River property held jointly with God's Lake Gold Mines.

Further diamond drilling is planned this spring on the Euclid Lake chrome property, where a body of chrome similar to that on the first property has been located.

It is estimated a further $100,000 will be received from sale of supplies and equipment.

Anglo-Canadian Oil

While income was lower, Anglo-Canadian Oils showed increased profits the year ended Jan. 31, 1943, with earnings equal to 14 cents a share compared with 13 cents the previous year. Working capital was nearly doubled.

Decline in income in 1942-43 is attributed in part to the fact that no distribution was made by Amalgamated Oils from its accumulated funds.

A participation has been taken by Anglo-Canadian in drilling Devonian No. 1 well in Turner Valley and a third interest has also been taken in the Sullivan Creek Syndicate with 6,160 acres of ground to be received if the well should prove successful. Drilling on the Walton Creek structure is to be resumed shortly.

Income & Surplus—Years Ended Jan. 31	1943	1942
Operating income	$849,426	$903,938
Add: Misc. income	23,081	125,973
Total income	872,507	1,029,911
Less: Deprec. & amort.	461,593	554,307
Accounts w/o	900	37,625
Inc. & E. P. taxes	93,000	151,000
Net income	317,014	286,979
Less: Dividends	90,000	135,000
Surplus for year	227,014	151,979
Add: Prev. surplus	682,165	653,984
Adjustments	9,596	18,100
Less: Amotiz. adjust.	162,278	......
Lease amortiz.	11,199	8,740
Unprod. expend.	92,900	133,158
Surplus forward	652,398	682,165
Earnings per share	$0.14	$0.13
Paid	0.04	0.06
No. of shs. outstanding	2,250,000	2,250,000
Working capital	$1,075,943	$585,475

Powell Rouyn

Earnings were maintained practically unchanged at nine cents a share by Powell Rouyn Gold Mines the year ended March 31, 1943, despite a drop of almost $200,000 in bullion recovery. Lower mine expenses offset lower output.

Ore reserves at March 31, totalled 583,853 tons of 0.126 oz. grade plus 291,560 tons of drill-indicated ore averaging 0.129 oz. gold per ton. A year earlier reserves totalled 730,743 tons of 0.128 oz. grade. A total of 286,931 tons was treated at the Noranda plant during the 1942-43 fiscal year.

"Subject to periodic labor shortages and a possible trend toward higher costs, your directors feel that the company's operations should continue at current levels of production and profit for some time," states President L. M. Keachie. New levels being driven at 1,700 and 2,000 ft. are expected to reach the most favorable areas in July.

Income & Surplus—Years Ended Mar. 31	1943	1942
Bullion recovery	$1,264,765	$1,455,073
Less: Mine expenses	921,177	1,133,194
Toronto office	24,699	27,975
Operat. profit	318,889	293,904
Add: Misc. income	3,010	1,300
Total net earnings	321,899	295,204
Less: Depreciation	134,085	120,999
Development w/o	25,473	25,473
Interest	2,493	2,990
Taxes	52,570	33,609
Loss on assets	279	......
Net profit	106,999	112,133
Less: Dividends	50,000	......
Surplus for year	56,999	112,133
Add: Prev. surplus	565,919	453,786
Surplus forward	622,918	565,919
Earned per share	$0.09	$0.09
Paid	0.04	nil
No. of shs. outstanding	1,250,000	1,250,000
Working capital	$294,093	$216,017

Eldorado Gold

A 50% increase in earnings was experienced by Eldorado Gold Mines in 1942 after allowing for $84,628 of taxes against nil the previous year.

The $135,166 cost of reopening the company's Bear Lake property in April, 1942, is charged to surplus account, the balance at credit of this account of $332,751 showing a reduction of approximately $50,000 after a special $100,000 tax contingency provision.

At the end of 1942, sufficient work was ahead of the refinery to keep it fully occupied throughout 1943. Ore reserves are reported unchanged. Normal mine productive capacity had been reached at the end of the year.

Income & Surplus—Years Ended Dec. 31	1942	1941
Gross income	$2,489,080	$1,265,362
Less Operat. expenses	1,901,247	964,971
Operating profit	587,833	300,391
Add: Non-oper. inc.	900	2,415
Gross profit	588,733	302,806
Less: Depreciation	263,597	135,487
Inc. & E.P. taxes	84,628	......
Net profit	240,508	167,319
Add: Prev. surplus	382,115	393,043
Refundable tax	5,000	......
Less: Adjusts.	8,784	1,113
Inventory adjust.	26,375	177,134
Re-opening expense	135,166	......
Bad debts w/o	24,549	......
Cont. reserve	100,000	......
Surplus forward	332,751	382,115
Earned per share	$0.06	$0.04
None paid.		
No. of shs. outstanding	3,905,046	3,905,046
Working capital	$1,189,567	$1,275,054

Ventures Ltd.

While curtailment of gold mining affected receipts from gold mines in 1942 and caused a reduction in earnings from 41 to 27 cents a share, Ventures Ltd. continued its policy of placing new war metal properties in production.

New operating enterprises in which Ventures, Frobisher Exploration (a Ventures associate) and Panaminas Inc. have assisted include:

Adamson Tungsten Mines — A property near Bishop, California, turning out 40 tons of tungsten ore daily; equipped at a cost of $300,000.

Valzinco — A lead-zinc property turning out 2,000 tons of zinc ore a month (expected to be increased to 3,000 tons). Ore runs about 7% zinc and 3% lead. About $250,000 spent.

Chonta Quicksilver — Located in Peru; expected to treat 20 tons of ore carrying 10 to 20 lb. mercury a ton. About $150,000 spent.

Black Donald Graphite—Turning out about 200 tons of finished graphite a month from property in southeastern Ontario; further expansion planned. Approximately $100,000 spent in placing in production.

Other properties under active development include the Josephine mine of Michipicoten Iron Mines, the Richmond Eureka in Nevada, the Calumet mine on Calumet Island, Ottawa River. Drilling at the Anyox property in British Columbia has indicated further moderate-size zones of low grade copper ore.

Geological possibilities of extensive hematite deposits are noted at Strawhat Lake. Several field parties are investigating clays and nepheline syenite deposits suitable for alumina production in the United States and Canada.

Of the large Ventures program, President Thayer Lindsley states:

"Much of this program must be considered as your contribution to the war and may not bring any immediate returns. Fortunately, however, in the course of this work important ore bodies have been discovered which later, under postwar conditions, should prove to be profitable."

Income, Surplus—Years Ended Dec. 31	1942	1941
Divds. & int.	792,939	988,239
Profit on secs.	31,771	153,119
Int., exch., etc.	a5,516	17,752
Gross earnings	819,194	1,159,110
Less: Exec. sals. & dirs. fees	9,277	17,305
Legal fees	605	4,056
Adminis. exps.	37,783	29,488
Explor. exps. w/o	26,138	32,007
Secs. written off	......	101,047
Advances w/o	114,776	13,671
Prov. for taxes	10,994	15,620
Invest. res.	200,000	300,000
Profit for year	419,621	645,916
Less: Dividends	393,488	314,790
Surplus for year	26,133	331,126
Add: Prev. surplus	2,115,092	1,783,966
Surplus forward	2,141,225	2,115,092
aLoss:		
Earns. per Share & Dividend Record:		
Earned	$0.27	$0.41
Paid	0.25	0.20
Shares Outstanding	*1,573,951	1,573,951
Working capital	624,621	1,018,190

*When merger of Sudbury Basin Mines and Ventures Ltd. consummated, 1,787,416 shares will be outstanding.

Chaput Copper Plans Program

Copper Ore Revealed in Shaft Put Down in Previous Work

One of the few new Canadian copper developments of recent years, Chaput Copper Mines plans to explore further the copper occurrence on its property in the Sudbury area already partially opened up underground.

In previous operations, a two-compartment shaft was sunk 80 ft. with a 60-ft. drift completed at the 60-ft. horizon. Assays completed are stated to have shown copper ore with an average of 10% copper thought possible with selective mining.

Frederick Reid, Toronto mining engineer, who examined the property for Webbwood Syndicate (from which the property has been taken over), states that copper ore has been outlined in the workings.

Mr. Reid recommends further surface exploration, some diamond drilling and further drifting at the 60-ft. level to secure a more adequate idea of the deposit's dimensions.

Assay Results

On two occasions bulk samples are reported to have been shipped for assay, the first returning 19.7% copper and traces of gold and silver for a total value of $21.75 a ton. The second sample averaged 16% copper. A sample of 22 tons gathered indifferently from the dump and shaft head shipped to Carterett, N.Y., ran 4½% copper.

The shaft is stated to have been sunk in ore on four sides. The drift at the 60-ft. level is declared to be at right angles to the hangingwall of the ore body, so it is thought further work may reveal it as a crosscut rather than a drift in ore. Surface exploration disclosed what appears to be a highly mineralized zone 50 to 60 ft. wide for a length of 750 ft.

An offering of 400,000 shares at 25 cents a share is being made to finance immediate operations. Of the company's 3 million shares authorized 1,150,000 shares have been issued for property.

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The Week in Oils

From Our Own Correspondent

CALGARY. — Two more large American companies have entered the Canadian oilfield picture.

Socony-Vacuum Oil Co., a division of Standard Oil of New York, will commence its initial geological work in Alberta in the immediate future. A geological party will arrive in a few days and will engage in general reconnaissance in the Alberta foothills.

The second operator is Phillips Petroleum Co., with headquarters in Tulsa, Oklahoma. A group of 22 geologists and technicians arrived in Edmonton last week from this concern to commence work in an undisclosed area.

* * *

Alta. Issues Rulings

The Alberta Government last week issued "Revised Petroleum and Natural Gas Royalty Regulations," embodying the long-disputed order-in-council passed by the province on May 28, 1941, together with amendments. The consolidated regulations are declared retroactive to June 1, 1941, the effective date of the original order.

The order has been largely disregarded by the oil industry. Royalty payments to the province have been continued on the previous basis of 10% on crude oil (embodied under an order-in-council passed by the present Alberta Government on April 1, 1936). Most operators have, however, maintained reserves covering the additional royalty sought by the province, pending final settlement.

Under the new consolidated regulations Crown royalty on Dominion leases (granted prior to the natural resources transfer in 1930) is continued at 10% for the ten years ending May 31, 1951.

The Crown royalty on provincial leases (issued since the provinces took over natural resources in 1930) is revised from a straight 10% to a choice between (1) a straight 12½%; (2) a sliding scale royalty equal to the square root of the daily average production in each calendar month, with a minimum of 5% (payable when production average is 25 bbl. daily or less) and a maximum of 15% (payable when daily average is 225 bbl. or more). This applies for the ten years ending May 31, 1951, and applies on crude oil, naphtha and natural gasoline.

After May 31, 1951, the royalty on oil, naphtha and natural gasoline production on all leases (both provincial and Dominion) will be on a straight sliding scale basis, with no minimum or maximum. The royalty will be on the square root of the daily average production.

The new regulations are now being considered by the oil industry. Officials of the Alberta Petroleum Association have already discussed them with Oil Controller Cottrelle. Whether they will be accepted without opposition from the industry, and without efforts being made to obtain revisions, remains to be seen.

* * *

Wartime Oils Starts

Wartime Oils, new Crown company which will assist in financing Turner Valley proved area drilling, is mapping its initial development program, and is expected to approve advances to proved area leaseholders in the immediate future. It is understood that the first advance will be limited to leases on the central west flank in Twp. 19.

President is Judge A. A. Carpenter, former chairman of the Public Utilities Board of Alberta. Vice-president is J. Grant Spratt, Calgary geologist and managing director of Anglo Canadian Oil Co. Secretary-treasurer is Ken J. Morrison, Calgary, chartered accountant. The other directors are A. H. Mayland, president of Gas & Oil Products, and Col. L. D. M. Baxter, general manager of Osler, Hammond & Nanton, Winnipeg. Major C. J. Stewart of Calgary has been appointed field manager.

$400,000,000 in Dividends Came from here

One hundred and twenty thousand shareholders own the producing mines in this small area in Ontario. These daring investors have had the happy satisfaction of cashing dividend cheques to the total of $408,007,041.00.

From here, each year comes 87% of all the nickel, 9% of all copper and 42% of all the platinum produced in the world.

KAPUSKASING
COCHRANE
TIMMINS
KIRKLAND LAKE
QUEBEC
CHAPLEAU
COBALT
TIMAGAMI
THREE RIVERS
CHAPUT COPPER MINES
MANIWAKI
GRACEFIELD
MONTREAL
NORTH BAY
WEBBWOOD
SUDBURY
HUNTSVILLE
OTTAWA
KINGSTON
OWEN SOUND
TORONTO
SYRACUSE
ALBANY
CADILLAC
HAMILTON
ROCHESTER
BAY CITY
SAGINAW
NIAGARA FALLS
BUFFALO
FLINT
LONDON
GRAND RAPIDS
DETROIT
ERIE
NEW YORK

The Next Ten Years May Triple These Totals

Since 1900 the mines in Ontario have produced metals to the value of $3,327,642,659 and the hundreds of thousands of shareholders who own these mines have received a grand total of $841,304,474 in dividends. Here is an industry that has for over forty years demonstrated its ability to earn and pay, over all charges, a net profit equal to 25% of its gross turnover.

The comparatively small Sudbury Mining Area indicated above, through which extends the great Murray Fault, an important factor in the extensive deposition of the rich ores found there, has since 1900 produced metals to the value of $1,806,934,367 or over half the total produced in the entire province. The base metal mines of the Sudbury area have earned and paid a total of $408,007,041 in dividends against a total of $433,297,433 earned and paid by all the other base and precious metal mines in Ontario.

Courageous men, by free enterprise, using daring dollars in a free Canada, developed the twenty odd great mines in the Sudbury area that are pouring each day over 40,000 tons of rich ore into the white hot maws of the processing plants which make the metals which make the vast armaments that Canada may continue free and rich and prosperous.

Those who profited most were those who bought shares in these mines during the period of development, not those who waited and bought them on an income return basis.

GOOD NEIGHBOURS

CHAPUT COPPER MINE, now being developed in this rich area, is a close neighbour to the more than twenty great producing mines which have contributed the ores that made these startling dividend payments possible.

The mineral rights under nearly every acre of ground surrounding Chaput Copper Mine and east to beyond Sudbury are owned directly or indirectly by the big mining companies. Long life and continual mining operations must be anticipated by the big companies in this area because International Nickel, Falconbridge, Nickel Offsets and several other strong companies own and control the mineral rights under a total exceeding 225,000 acres. The geology has been well and fully worked out and mapped by eminent authorities.

HAZARDS ELIMINATED

Many persons look skeptically upon investments in mines. They speak of the hazard. A study of the figures given here, all compiled from reports published by the Government's Department of Mines, should prove conclusively that the gain was worth the risk.

In the Sudbury area nature has eliminated some of the hazards. The prehistoric glaciers tore down the mountain superstructures and left the veins, lenses, and massive concentrations of rich ores exposed on the surface. Long ages before that a stupendous earthquake created the tremendous crack in the earth's crust which we know today as the Murray Fault. This became the great vent up which the molten metal-bearing magmas came to form the ores being mined today.

LOCATION AN ASSET

The very location of Chaput Copper Mines wipes out the often costly hazards of transportation, power supply, experienced labour supply and the delivery of the products of the mine to fair markets. Chaput Copper Mine is not a wilderness mine. It is only 220 miles as the crow flies from Toronto. It is served within two miles by a main line railway and a paved King's Highway at Webbwood. A short truck haul delivers the concentrates to the big smelters at Sudbury or to docks on a deep water harbour at Georgian Bay from where they can go cheaply by ships to the markets of the world. At hand is a plentiful surplus of the cheapest Hydro-Electric power on the continent.

MINING IS MANUFACTURING

Given an ore body having length and depth with minable widths and continuity of recoverable metal-content in excess of the cost of mining, handling and processing, you wipe out the rest of the risk and rely on honest, expert and intelligent administration. The mining of such an ore body becomes a simple manufacturing and marketing business, the profits arise from the value of the metal-content of the ores in excess of the cost of producing the marketable product. It is the sound conviction of the Company's experienced management that Chaput Copper Mine has all the geological ear marks of such a mine.

Canada to-day is processing domestically over 75% of all the nation's copper requirements. Heretofore, we converted our copper ores to matte, exported nearly all the matte and imported it back as refined metal in the form of sheets, rods, bars, wire and ingots. Henceforward Canada will be one of the largest exporters of these products in the world.

PROSPERITY AND PROFITS LIE AHEAD FOR THOSE WHO OWN SHARES IN A PRODUCING MINE IN RICH SUDBURY DISTRICT.

BRIEF INFORMATION

Chaput Copper Mines Limited owns the mineral rights on 437 acres in the Sudbury district. Two years development work, comprising stripping, cross trenching, pits, open cuts, shaft sinking and underground work indicate a mine making mineralization in the large sheared zone, contiguous to the Murray Fault which diagonals across the property. The shaft is in massive ore for its full depth. A drift on the first level at right angles to the hanging wall of the vein system is in massive ore, top, bottom and sides for 60 feet with no sign of the foot wall. Surface work along a 750 feet exposure of the sheared zone shows a mineralized width of 50 to 60 feet. The ore is chalcopyrite in a high silica gangue, the copper content of which from careful and systematic sampling justifies the expectation of Mill run ore averaging 10% in copper with gold values sufficiently high to make recovery pay. This is $20.00 ore. The contact is along an intrusion of ancient diabase. Similar contact has been the consistent ore source throughout the Sudbury area.

The Company has 3,000,000 Shares, par value $1.00. Vendors received 1,050,000 shares for the property. These shares cannot be sold or traded in. As is customary, these shares are escrowed, with the Premier Trust Company, Toronto, which is also the Company's Registrar and Transfer Agent. 1,850,000 shares remain in the Treasury—400,000 of these Treasury Shares are now offered, fully paid at 25 cents each, the entire proceeds of which go directly to the Treasury to be used to bring the mine into production. Make sure of getting your shares at this first low price. Order direct from the Company by mail or telegraph.

The element of speculation will remain until much more underground work is done but I honestly believe that this mine offers one of the best opportunities for large profits that has been presented for a long while. This opinion is supported by my thirty-five years actual experience in mining and mine-making, and by the considered opinion of competent mining engineers and geologists.

Ed Chaput
PRESIDENT

First Public Offering of

400,000 TREASURY SHARES

at 25 cents each in

CHAPUT COPPER MINES LIMITED
(NO PERSONAL LIABILITY)

Central Building - - - Toronto, Canada

MAIL THIS TODAY

CHAPUT COPPER MINES LTD.,
Central Building,
Toronto, Canada.

Dear Sirs,
Please send me full particulars regarding your mine and its profit possibilities.

Name ______________________

Address ______________________
(PLEASE WRITE PLAINLY)

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—The foreign governments in London present a difficult diplomatic problem. For example, Dr. Benes represents Czechoslovakia here and is in constant touch with the Foreign Office. But will the politicians who remained in Czechoslovakia and who have borne the ordeal of the occupation, necessarily accept the leadership of the man in London after the war? That is in no way a reflection on Dr. Benes or Jan Masaryk. It is just a problem of human nature.

The Greek Government, with their King very wisely moved from London to Cairo where they will be in closer contact with their nationals. The Austrians in London are divided as usual. Two sets of "Free Austrians (one headed by the agreeable young Archduke Robert) claim to represent their country. On odds, neither of them will do so after the war.

Eden's task with these shadow administrations is not an easy one.

* * *

Youthful Wedding

There was a wedding in London this week at the huge Catholic Brompton Oratory which should have been filmed. The 21-year-old Marquess of Lothian was marrying a 20-year-old girl, while the bridegroom's 15-year-old brother, Lord Peter Kerr, was best man.

Young Peter Lothian was in the uniform of an Officer of the Scots Guards. Not to be outdone the younger John wore the battle dress of his school's Officers' Training Corps. The full nuptial mass was said and sung with the Archbishop in attendance taking nearly a whole hour. All the great figures of diplomacy and society were there, while the church was simply studded with gosling officers of the Guards who were children only yesterday.

An unique and perhaps unintended effect was achieved when, as the bride and groom walked down the aisle to the strains of the Wedding March from the organ, the bagpipes let loose at the church door. Somehow Mendelssohn and bagpipes don't mix very well.

Peter Kerr came to his title by a roundabout route. The last Lord Lothian who died while Ambassador to Washington was a bachelor. So was the Lord Lothian that preceded him. In fact the last Lady Lothian who died a few years ago at the age of 92 was a bridesmaid at the wedding of Edward VII.

Peter is a nice twinkling-eyed lad who plays foxtrots on the piano with lugubrious, extemporized minor chords. He was at Oxford when the war intervened and will soon leave to join the Guards abroad. Until then his little wife "will follow the drum" as she puts it.

The youthfulness of the whole affair was picturesque and poignant. These youngsters face the future with courage though the guns are roaring on many fronts.

* * *

Two More from Coward

Noel Coward is an amazing fellow. Having produced that epic film, "In Which We Serve," and having played the grim, unsmiling role of the ship's commander, he came to the Haymarket this week with two opening nights. First was his comedy, "Present Laughter," and the next premiere, which is tonight, will be "This Happy Breed." He will then play these two on alternative nights.

There is no question but that "Present Laughter" raises Coward to the level of Wilde and Congreve. It is so witty and stimulating that last night's brilliant audience were weak with laughter when it was over. Coward plays the part of a middle-aged matinee idol who is sardonically sorry for himself, vain as a peacock, self-distrustful, rather kindly and with a weakness for love scenes off the stage.

He has a humor quite his own. In a moment of embarrassment on the stage he looked out of the window and waved at someone in recognition.

"Just a horse I used to know," he said. It may not seem very funny reading it but it was certainly funny last night.

Here is some more of his dialogue. A beautiful girl has come to vamp him. The poor susceptible matinee idol is determined to resist but feels his defenses slipping.

"Were you at the Queen's Hall tonight?" he asks.

"Yes," says the girl. "It's a frightful place isn't it?"

He sits down beside her at the opposite end of the sofa. "What do you think of the Albert Hall?" he asks.

"It's dull," says the girl. He takes her hands. "Not when they're doing a choral version of Hiawatha," he murmurs.

"Yes even then," she replies. He takes her slowly in his arms. "I will not have a word said against the Albert Hall," he whispers and the curtain descends.

For romantic dialogue that is really something new.

* * *

Tory Rift

The Tory Party is going to have a full conference this month, the first to be held during either of the two world wars. It will have an important effect on the future of the party as the resolutions to be debated will take two different roads.

Many of the younger Tories are calling for more "Beveridge." The older ones are calling for a reaffirmation of faith in private enterprise and the gospel of individualism. The support which these differing resolutions receive will prove a useful guide to the party leaders. Not only M.P.'s but candidates and officers of local associations will be present. It will then be seen how closely, or otherwise, the elected representatives voice the views of their constituents.

The argument of the older "individualistic" school is that if the people want left wing policies they will seek them at the hands of the left wing parties. The Conservatives, they argue, can only exist if they be true to their faith. The younger Tories reply that if there is going to be left wing legislation, and they believe it inevitable, then it should come from the right wing party which would avoid extremism.

At the moment the rift is pretty deep, with the "Times" solidly backing the progressives against the diehards. Probably the Tory Party in Canada has no such problems, or are we unduly sanguine over here about the "Pro-Cons"?

Cheese Shortage is Seen As Distinct Possibility

Price Ceilings and Subsidies Make Creamery More Attractive Outlet For Dairy Farmer— Butter Surplus Probable

By DONALD G. MacLEAN

If present conditions continue, Canada this year may find herself with a large surplus of butter and not enough cheese. That is the view of many produce men.

Production and demand in the two commodities are moving in opposite directions. In butter, production is showing a substantial increase while demand, restricted to the domestic market and regulated by rationing, is lower. The result is that on May 1 stocks in Canada were about double those of a year ago with the period of heavy production still to come. In cheese, production is lower while demand, 150 million pounds for export to the United Kingdom, is heavier. Cheese stocks on May 1 were about 34% lower than a year ago.

GENERAL MANAGER

J. Ross Belton, who has been appointed general manager of Gutta Percha & Rubber Ltd. Mr. Belton, who was born in London, Ont., is a veteran of the last war. He graduated from Queen's University, and joined Gutta Percha in 1920. He has been assistant general manager since 1936.

Spread Favors Butter

According to men in the produce trade, the present system of price ceilings and subsidies in the dairy produce industry does not make shipment of milk to the cheese factories sufficiently attractive in comparison with shipment of cream to the creameries. The actual dollar return for milk sold to the cheese factories, it is stated, is a little higher than that from selling cream to the creameries. But the spread is not sufficient to offset other factors.

The dairy farmer shipping to a creamery is paid twice a week for his cream, has the skim milk left to feed his stock and while he has to separate his cream from the milk, he does not have to deliver it to the creamery. Milk for the cheese factory has to be delivered by the farmer who must bring the whey back for his stock and is in many cases paid only once a month. The average dairy farmer finds the creamery the more attractive market.

So far the Government appears to have bought little cheese to fill its British order and with the trade buying all the new cheese coming forward, produce men wonder when the authorities are going to get cheese for export. In some quarters it is thought they may be holding off until June 1 when the main output starts to come in. Even then difficulty is seen in getting enough to fill the order.

Several possibilities are seen by the trade:

The Government may divert farmers' shipments from the creameries to the cheese factories by order. This might prove unpopular.

It might raise the subsidy on milk shipped to the cheese factories.

It might increase the price on cheese paid the producer. This last is thought improbable.

The most likely step would be to requisition all cheese produced and have it delivered to the Dairy Board for shipment overseas. By government order all cheese manufactured after May 1 is required to be white unparaffined and of large size, approximately 75 lb. This is the type and size of cheese wanted for export.

Whatever policy the Government authorities have in mind is expected to be made known about June 1 when the time of heavy production of the best grade cheese begins.

Posters Are Where People Are

People throng the traffic routes of every urban center. Posters are strategically located along those routes. On Posters your message reaches the masses.

POSTER ADVERTISING MEETS WAR-TIME CONDITIONS
730

POSTER ADVERTISING ASSOCIATION OF CANADA, 80 Richmond St. W., Toronto

Synthetic Rubber Outlook Improved Says U. S. Expert

By STAFF WRITER

PHILADELPHIA. — Uncle Sam's rubber situation is much better today than it was three months ago.

This is the considered opinion of an authority in close touch with the synthetic rubber development. He told The Financial Post that there would be synthetic rubber in sufficient quantity for both military and civilian needs.

Confirmation that the rapid development of the synthetic rubber industry had not been made without adverse effect upon other vital war materials was given by this expert. Because of the diversion of materials to rubber-making, there was now a shortage of certain petroleum products, he said.

Of synthetic rubber's place in the postwar era he was not certain. There was no way of telling to what extent it would replace natural rubber. Much would depend on the service given by the synthetic product under actual use. It was quite possible, he felt, that synthetic rubber at a higher price might be more economical in certain fields than natural rubber at a lower price.

Because of the poor quality of synthetic rubber made in Russia, he intimated that the actual performance of the American synthetic would be watched with the greatest interest. Much reliance had to be placed on the synthetic product, he said, because of results obtained from the "victory tire," made from reclaimed rubber. While the "victory tire" had turned out better than expected, he thought it was still a "lousy" tire.

Declaring that the postwar picture is political rather than technical, he said some short-sighted persons were urging that the pay of the natives of Malaya be increased from 25 cents to $1 a day, or some such figure. There was a danger in this that the cost of natural rubber would rise so high that the natives would be unemployed and therefore much worse off than they were on what has been considered a very low wage.

The cost of synthetic rubber in manhours is, of course, much less than for natural rubber. But this is of no significance because the wage scales are so different.

DRUG Merchandising
Hardware & Metal
Canadian Grocer
Sanitary Engineer
Canadian Hotel Review
Men's Wear Merchandising
Le Prix Courant
Bookseller-Stationer
General Merchant of Canada
Stylewear
Canadian Paint & Varnish Magazine

"We would like to let you know that we find Hardware and Metal almost invaluable in these war days with travellers nearly 'off the market.' Our sources of information outside of this trade newspaper are almost dry."

THE foregoing is an extract from a letter written to one of Canada's leading trade newspapers by a well-known hardware merchant in an Ontario city. Similar statements have recently been made by readers of the trade publications illustrated on the left — each one an important influence in its field. Comments of this kind are not unusual these days. Editors of good trade newspapers receive many complimentary letters from readers. They have always been close to their readers. They have always given readers a worth-while practical service. Under war conditions these services become doubly valuable.

HERE ARE A FEW OF THE VITAL SERVICES PROVIDED BY GOOD TRADE NEWSPAPERS:

1. Accurate information about the effects of conversion, priorities, and government rulings on the products which their readers stock and sell.
2. Explanations of shortages and substitutions to pass on to the inquiring consumer.
3. Facts about what's new in products and product development.
4. Accurate and complete information on available goods.
5. Help in education and training of "green" sales personnel.
6. Aids in promoting conservation of vital materials.
7. Help in building up the service end of the business, profitably.
8. Reasons for any changes in prices.
9. Explanations of delivery delays.
10. Help in selecting replacement lines.
11. Maintenance methods in face of problem of help shortage and hard-to-replace store equipment.
12. Guidance on planning for the future; a look into what's in the offing.

Drug Merchandising
Canadian Grocer
Canadian Hotel Review
Le Prix Courant
Stylewear
Hardware and Metal
Sanitary Engineer
Men's Wear Merchandising
Bookseller and Stationer
General Merchant
Canadian Paint & Varnish Magazine

One or more of this influential group of MacLean Trade Newspapers will probably be of interest to you for trade information and as a medium to carry your message to any or all of these important fields. Further details upon request to any of the trade newspapers listed on the left.

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, May 22, 1943

Independent Canadian Broadcasting Faces New and Widening Frontiers

Privately Owned Stations Pioneered Industry's Development—Now They Operate Under Crippling Regulations

By ROBERT C. STARK

This is about a big business that is made up of a hundred businesses. It's about men and women who have served their apprenticeship in a rough-and-tumble school of experience. This is the story of one of our latest industrial pioneers—the story of Canada's independent radio stations.

It began only a little over 20 years ago as a man here and a man there, in widely separated parts of Canada, scraped together some crude equipment, curtained off the corner of a room and went into the broadcasting business. Those were the days of one-man stations, of crystal sets and cat's whiskers, of peanut tubes and peanut salaries.

The industry came up the hard way, learning as it went. The new baby that was broadcasting had to be carefully nursed along, steadied as it first found its wobbly feet. There wasn't much encouragement; there were long years when the books ran consistently in the red, but there was the hope and vision with which pioneers are born.

Today, independent radio is a mighty instrument in Canada's communications system.

Along with the local schools, churches, periodicals, newspapers and clubs, independent broadcasting has proved itself a key factor in community life.

Independent broadcasting pays heavy taxes. It gets nothing out of the public treasury. None of the $2.50 license fee the listener pays goes to independent radio.

Cop and Competitor

Independent radio exists only on the sufferance of its policeman. And its policeman is at the same time its competitor.

Independent radio's capacity to serve its public has been frozen by its competitor; it is virtually frozen in its present stage of development. Its stations are compelled by the competitor to remain limited in size or power, while the CBC program calls for a big network of super-power stations blanketing the whole of Canada.

The competitor may decide what is and what is not a suitable program or suitable advertising broadcast from independent stations.

The competitor may order any independent radio station to carry any CBC program it chooses.

Because of the rules it has made and because of its monopoly of telegraph lines connecting radio stations, the competitor makes it seldom possible for two or more independent radio stations to link together into a broadcasting network.

In Canada today are some 1.6 million radio sets and 84 broadcasting stations ready to supply entertainment, news and information at most hours of the day, every day of the week. This aerial web that covers Canada would not have been possible without the early heartaches that went into the building of this industry.

Today, there are 74 privately owned stations in Canada with a total broadcasting power of 90,950 watts.

These stations are not large, most of them have power of around 1,000 watts or less. It is estimated that independent outlets employ around 1,000 men and 400 women, an average of some 19 per station. Their actual entertainment equipment is usually not very extensive; one or two pianos and possibly an organ. Feature of virtually every station is the extensive library of transcriptions. Having as many as 16,000 records on file is not unusual, while even the smaller units boast libraries of 5,000 or so records.

The service that these stations have been able to give cannot be measured by a tabulation of their mere physical resources for entertainment, but rather by the skilful application of those facilities and the knowledge of their field that has been gained by independent operators through years of experience. In aggregate, Canada's independent radio stations represent the final expression of a great network of communications extending throughout the country.

Community Service

While these stations have an integral part in Canada's national radio setup, their prime function is service to the community in which they are located.

The job that independent broadcasting is doing in individual communities is in full keeping with its early traditions. The roots of Canadian broadcasting development found their first fertile soil in the towns and cities, when national sponsorship was not even considered. From their outset these stations have taken a deep and helpful interest in community affairs. Without the boosts given by their local radio station many a district patriotic or charitable drive would be deadened.

Independent broadcasting stations are geared to their particular community's likes and dislikes. In different sections of Canada there are widely varying ideas on what constitutes a worthwhile broadcast. Farm broadcasts may bore urban listeners; some types of music go over big in some sections, flop in others; listeners in many parts of Canada have made no bones about how they feel about bilingual broadcasts. The situation is further complicated in Canada by the size of the country and the number of time zones that we have. National broadcasts have to take into account that what is dinner music on one side of the country is slumber music on the other.

Local radio stations can talk to the people of their community in their own language. Small merchants are not interested in going on the air to broadcast their wares to some listeners hundreds of miles away; their market is just across the street or in the next block.

Local Talent

Community stations are interested in getting local talent on the air. Good broadcasting talent is hard to find even in large cities, often practically impossible in smaller centres. While the problem is a tough one, the privately owned stations keep tackling it. How well they keep at it is indicated by this summary of what 39 independents did in 1941: auditions given to 2,422 vocalists, 198 orchestras, 975 instrumentalists, 2,517 announcers, 142 newscasters, 120 sports commentators and 806 dramatic talent.

These stations are an important training ground not only for talent but also for technicians. A survey of the same 39 independents revealed that from 1937 to the end of 1941, talent originated by these outlets totalling 63 went to the CBC and four to the United States. During the same period 38 announcers left these stations to join the CBC along with 26 engineers.

This type of community endeavor is something which large stations cannot carry out. Stations which cover a relatively large area must by their very nature speak with a different voice than those whose prime interests are contained in a comparatively restricted area.

The experience of these local stations in providing service to their communities suggests that a highly important part of Canada's radio setup would be lost if the development of large stations was concentrated on to such an extent that the interests of the smaller outlets would suffer.

In 1936 independent radio power totalled 61,000 watts compared with the 90,950 today. During the same period the Canadian Broadcasting Corp., which operates 10 stations, has expanded its facilities from 13,600 watts to the present level of 213,250 watts. Certainly the privately owned independents would have materially increased their power had it not been for a freezing order which prohibited any less than 1,000 watt station increasing its power beyond that figure and which prohibited any increase whatsoever in the power of a station already over 1,000 watts.

While this order strictly limited the effectiveness of the independents, the CBC materially jumped its own facilities by putting into operation four high-powered transmitters of 50,000 watts each at Toronto, Montreal, Sackville, N.B., and Watrous, Sask. The CBC has taken the stand: If there are to be any big stations, we'll run them. The independents are frozen in while the CBC proceeds with its program of building a chain of high-powered stations intended to blanket all Canada.

National Coverage

At the present time, the CBC claims 96.1% coverage of Canada. However, the basic CBC network includes, along with its own stations, 26 private stations. Without those privately owned outlets the CBC could not come even close to giving a real national coverage.

The 26 privately owned stations which form part of the CBC basic network, in return for reserved time, are entitled to take any or all of the CBC's sustaining or non-sponsored programs. They are obliged to carry all commercially sponsored national networks programs.

Another 11 privately owned stations are on the supplementary national network. These stations are required to take certain network sustaining programs. Time over these stations may be, but is not necessarily, sold to commercial sponsors using the national network. The remaining stations are dependent entirely upon local or transcribed commercially sponsored programs for their revenues.

Obviously then, the independents play a very important part in the national radio picture; without them, there would be no truly national radio setup.

Network Affiliations

It has been claimed, notably by Rene Morin, chairman of the CBC board of governors, that the 26 private stations affiliated with the CBC could not survive or give satisfactory service without their connection with the national system. The independents, of course, managed to get along long before the CBC came into existence and actually, the revenue they derive from network affiliations usually comes far from representing the greater part of their income.

From March, 1940 to March, 1941, the 26 basic and 11 supplementary stations were paid out of the money paid to the CBC by advertisers for the purchase of the facilities of these stations an average of only $44.42 per station per day. The CBC receives a like amount per basic station. In short, the commercial revenue from the CBC does not begin to cover the salaries of the employees of the average station.

With most independents, sustaining programs exceed commercial shows by a fair margin. Some stations run as low as 22% commercial and 78% sustaining while others may go 60% commercial and 40% sustaining. A rough average for independents generally may be struck at a weekly schedule of 40% commercial and 60% sustaining. In very few instances does the time given over to network programs exceed that alloted to live shows of local origin and transcribed programs.

Self-regulation

The privately owned stations have carved out the important place they now hold largely through a policy of self-regulation of which the first object has been service to the public. That policy has recognized that no hard and fast set of rules can attempt to guarantee such a service, for the final arbiter must be the public itself, not a series of regulations. In line with this belief is the first clause of Canadian Association of Broadcasters Code of Ethics:

> "Recognizing the varied tastes in entertainment of the listening public and realizing, under the present structure of the broadcasting industry, the impossibility of various broadcasting stations devoting their programing exclusively to satisfying the likes and desires of any one group of listeners, it shall be the responsibility of member stations to so program the broadcast day that, as far as possible, all groups of listeners shall have some part of the programing devoted to their special likes and desires in proportion to the relation of the numbers of each group to all other groups. It shall be the responsibility of the member stations to meet such requirements through the best programs that available talent and ingenuity can devise."

Of necessity there has to be some central authority to regulate such things as wave lengths, but small doubt exists that the pressure of public opinion under a free enterprise system will shape the programs that want to be heard. Recently testifying in Washington before the House Committee on Interstate and Foreign Commerce, William S. Paley, president of the Columbia Broadcasting System, put it this way:

> "You will not be startled when I tell you that I do not know of any perfect system of broadcasting. Under any system, public or private, it must suffer to some extent from the frailties and the weaknesses of the human beings who administer it. Anything requiring money on which to live will sometimes be adversely affected by economic necessities. On the other hand, economic necessity is one of the swiftest and the most effective correctives for those who try to fly in the face of public opinion and public desire."

Competitive Condition

While private broadcasting stations have amply proved by their performance that they are a vital part of the whole Canadian system of communications, they operate under the shadow of a highly anomalous condition. The Canadian Broadcasting Corp. is both the competitor of the independents and their policeman. Any regulation passed by the CBC is open for questioning not only from the standpoint of whether it is necessary or worthwhile, but also, if it reduces the commercial revenue of privately owned stations, whether it was designed so that more commercial revenue would flow to the CBC. The situation is similar to that which would exist if the CNR set up rules and regulations under which the CPR must operate.

Privately owned stations must operate under a continuing uncertainty as to their future due to the far-reaching controls that can be exercised by the CBC. Just how drastic are those powers is made fully evident in the Canadian Broadcasting Act which provides:

> "The Corporation may make regulations
> (a) to control the establishment and operation of chains or networks of stations in Canada;
> (b) to prescribe the periods to be reserved periodically by any private station for the broadcasting of programs of the Corporation;
> (c) to control the character of any and all programs broadcast by Corporation or private stations;
> (d) to determine the proportion of time which may be devoted to advertising in any programs broadcast by the stations of the Corporation or by private stations and to control the character of such advertising;
> (e) to prescribe the proportion of time which may be devoted to political broadcasts by the stations of the Corporation and by private stations, and to assign such time on an equitable basis to all parties and rival candidates."

Holds Monopoly

Just how the wide powers of the CBC can work out in actual practice has already been indicated by freezing the power of the independents while the CBC has substantially boosted its own power. Another point of contention is created by the CBC control of all telegraph company lines between broadcasting stations. No lines can be purchased by any privately owned station linking it up with another private station except by buying such lines from the CBC. This gives the CBC a virtually complete monopoly over all live talent broadcasts except individual station programs.

If an advertiser wants to broadcast a live talent show from, say, Toronto, Ottawa and Montreal he obviously cannot be accommodated through the national network; he has to take stations in the three cities that are non-CBC network. To do this he has to furnish the CBC with information as to sponsor, product advertised, type of program, time of broadcast proposed, together with a request to link up the stations and, if this permission is given, to buy the lines from the CBC. The whole procedure places in the hands of the competitor of the non-network stations complete information about a potential broadcast advertiser.

Many comparisons have been made between the Canadian system of broadcasting and the methods used in the United States and Great Britain. As in so many other things, perhaps the best Canadian system lies between the two others—a compromise that has learned from both British and American experience.

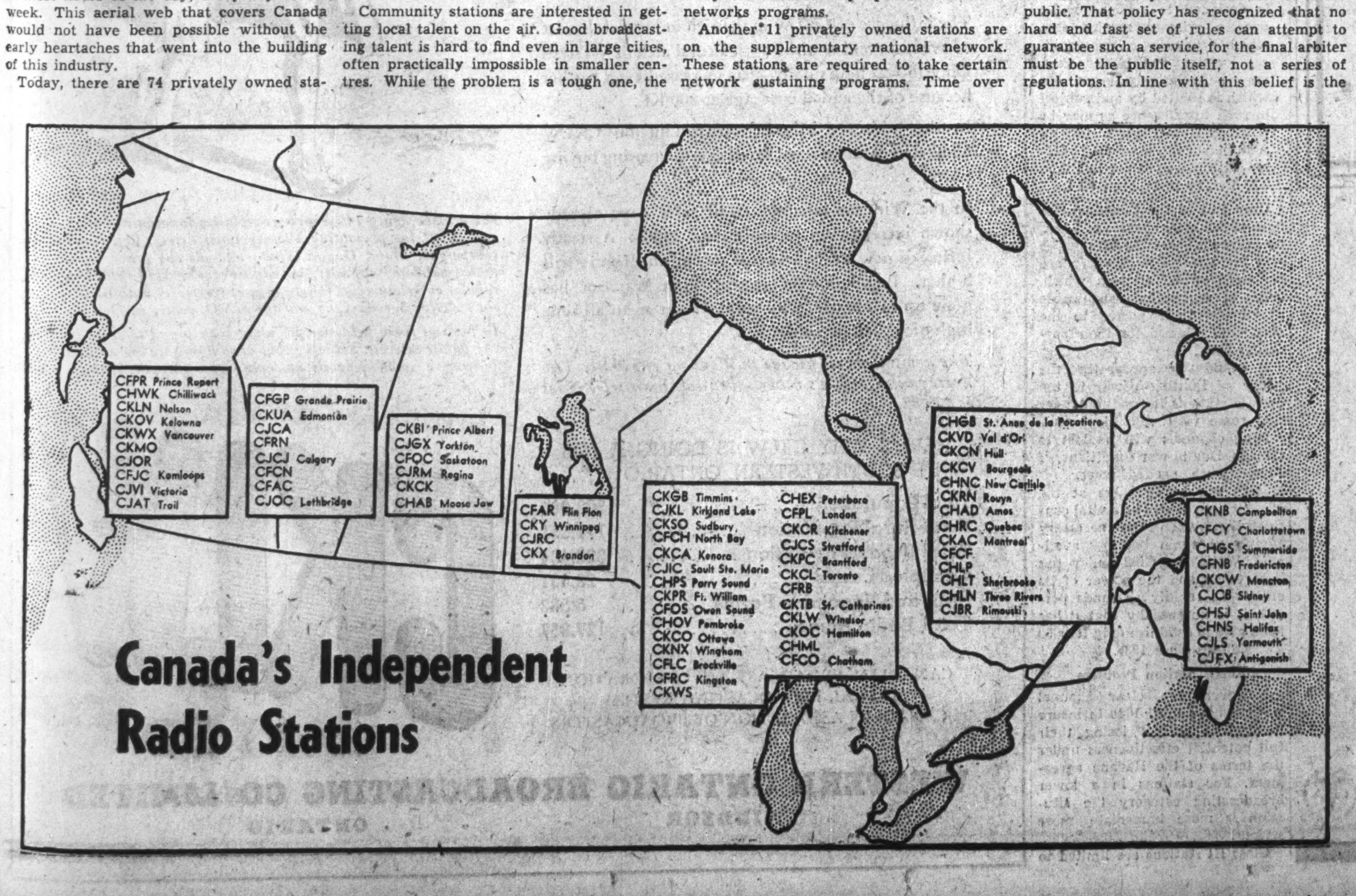
American Way

In development of the U. S. broadcasting industry there is much that is also in the Canadian tradition. Freedom of expression and a large amount of self-regulation are two of the basic factors that have combined with the free enterprise system to foster the growth of this great American industry. Many Canadians can nod agreement to this statement by William S. Paley, Columbia Broadcasting System president:

> "The sovereign right of every listener in America to snap the switch and shut off his radio or to shift his dial from one station to another has been the greatest single factor in broadcasting's onward march.
>
> "Some people think we have too many soap operas on the air. Others think there is too much comedy. Still others want more fine music. There are those who want more emphasis laid on their own brand of education or culture. Again, we find people who think we have too much news and others who think we have not enough. Some don't like some of the assertions made by some of our advertisers.
>
> "Many of these criticisms have been justified, and naturally we work steadily to try to improve our programs and our program structure, which constitute the product we

(Continued on page 20)

Radio has two main jobs, to inform and to entertain, very often does its best work when the two functions are combined. It is through these two functions that radio's invaluable contribution to wartime morale has been achieved. Above, audience reaction in a truth and consequence program, right, RAF visitors conduct a broadcast.



Canada's Independent Radio Stations

CFCO

CHATHAM
ONTARIO

The original farm station of Western Ontario

Serving farmers of Southwestern Ontario since 1925

630 Kcs.

John Beardall, Mgr.-Owner

CAB MEMBER

SUNDAY MOST POPULAR

Sunday is the most popular day among Canadians for listening to the radio. It is estimated that 37.9% of all Canadian radio sets are in operation Sunday nights.

Broadcast Restrictions

Canada's Radio Coverage Hit by Freeze

Policy Blocks Havana Treaty Advantages

Under the Havana Treaty, international radio regulations were set down to keep broadcasting channels as clear of interference as possible. Canada has been slow to take advantage of the opportunities afforded by the agreement, largely because of the CBC freeze which prevents private stations from expanding their power beyond 1,000 watts. The result has been that Canada may lose some choice air channels while power boosts by American stations have already meant increased interference for some Canadian outlets.

Canadian radio stations are not taking advantage of the opportunities given them by the Havana Treaty; Canadian listeners, therefore, are not getting the reception they otherwise might. This is the result of a policy which, if continued, may well relegate our broadcasting industry to a very subordinate position in world radio circles, according to independent radio authorities.

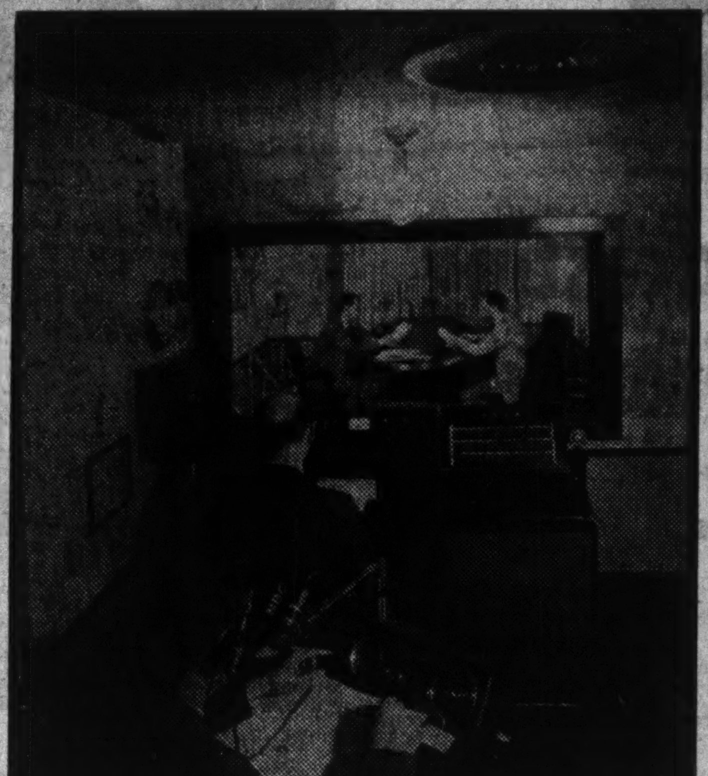
Realizing that radio knows no international boundaries and that the best ends of broadcasting in North America would be served by international agreements on wave lengths and station power allotments, Canada and the United States became signatories to the Havana Treaty, which operates until 1946. The treaty established principles covering use of the standard broadcast band (550 kc. to 1600 kc.) in the North American Region so that each country could make the best use of that band with the minimum of technical interference between broadcast stations.

Canada's delay in taking advantage of the terms of that treaty have already impaired the effectiveness of some of our stations.

Power Freeze

Crux of the situation is this: in 1936 the CBC froze the power of privately owned stations at 1,000 watts. This freezing is still in effect with the result that many Canadian stations are sharing a broadcast band with an American station, both stations having the right under the Havana Treaty of stepping up power to 5,000 watts. The American station has gone ahead and made the move up to the legal limit. The Canadian station has not been able to move due to the freeze on its power. Result has been the increased power of the American station has given it a sufficiently strong signal to encroach seriously upon the area formerly covered by the Canadian outlet.

Here is how the Havana Treaty is working out in Canada in detail.



A vital part of the modern radio studio is the control room, shown here, from which the producer and the sound engineer follow the program closely and make sure that the timing is on the dot, that the sound equipment is tuned properly.

Three Channel Classes

The 106 channels in the standard broadcast band are divided into three principal classes:

A clear channel is one on which the dominant station or stations render service over wide areas which are cleared of objectionable interference over their primary service areas and all or a substantial portion of their secondary service areas.

A regional channel is one on which several stations may operate with powers not in excess of five kilowatts. The primary service area of a station operating on any such channel may be limited by interference to a given field intensity contour.

A local channel is one on which several stations may operate with powers not in excess of 250 watts. The primary service area of a station operating on such a channel may be limited by interference to a given field intensity contour.

The treaty divides broadcasting stations into four classes. Class 1 is a dominant station operating on a clear channel and rendering primary and secondary service over extended areas and at relatively long distances. This class is subdivided into two parts; I-A which are stations which may operate with power of 50 kw. or more and I-B which may operate at not less than 10 kw. or more than 50 kw.

Six Class I-A

Canada, under the Havana agreement, was assigned six Class I-A channels. These channels are occupied by three CBC stations, all at 50 kw. and three private stations, CFRB, Toronto, and CFCN, Calgary, both at 10 kw. and CKY, Winnipeg, at 15 kw. Under the power freeze order these three private stations are not permitted to step up to take full advantage of their opportunities under the Havana agreement. Should that right not be taken up by 1946 the Class I-A clear channels will be reassigned to a lower category. All U. S. stations in Class I-A are taking full advantage of their treaty rights.

What may happen when the full rights are not exercised is provided for in the treaty this way:

> "If within the period of this agreement the country to which a clear channel has been assigned shall have made use of the channel but not in the manner above prescribed or not to the extent required by the provisions of this agreement, such country shall be considered as having relinquished that portion of the rights which it has not used and at the expiration of this agreement the other countries party thereto shall have the right, if they see fit, to withdraw the unused privileges from such country and to reassign them to any or all of the other interested countries."

Canada was assigned four Class 1-B clear channels, of which three are occupied by CBC stations, one of 50 kw. and two of 5 kw.

All Under Limit

Another eight stations are in Class II with this definition:

> "A 'secondary' station which operates on a clear channel and is designed to render service over a primary service area which, depending on geographical location and power used, may be relatively large, but which is limited by and subject to such interference as may be received from Class I stations. A station of this class shall operate with power of not less than 0.25 kw. or more than 50 kw."

Only two of the Canadian stations in this class operate at 5 kw., the other six operating with power of 1 kw. Of this total, seven are privately owned stations which, under present rulings, are unable to expand their power to the maximum allowed for their particular class.

It would thus appear that the policy of limiting power to the private stations raises the danger that some very valuable broadcasting channels will be lost to Canada. Due to war conditions, of course, such needed power increases are not possible at the present time. It will be a vital consideration when the necessary equipment again becomes available. While the CBC policy has been to expand the power of its outlets as rapidly as funds permit, it is noteworthy that it has been able to establish only four 50 kw. stations since 1936.

Small Station Problem

However, the clear channel stations have until 1946 to insure themselves against losing their full potential effectiveness under the terms of the Havana agreement. For stations in a lower broadcasting category the situation is more immediate, more serious.

Class III stations are limited to 5 kw., they operate on a regional channel and are designed to render service primarily to a metropolitan district and the rural area adjacent. There are in Canada a total of 31 Class III stations, of which 29 are privately owned. No Canadian station in this class is operating at more than 1 kw.

Before war conditions prevented expansion of American broadcasting station facilities, many Class III outlets there moved up to the 5 kw. limit allowed them. In some instances this was done to the detriment of Canadian stations of the same class because, under the freeze order, they could not meet that power jump and the stronger American signal moved in on their region. Should the condition not be remedied at the end of the war it is reasonable to expect that further encroachments will be made.

How It Works

Roughly, here is how the situation works out. A Canadian and American station, perhaps 1,000 miles apart, operate on the same wave length at 1 kw. power. Given similar conditions there will be an area of interference between the signals of the two stations approximately half-way between their locations, or giving each station a relatively clear broadcasting area of some 500 miles. However, should the American station move up to 5 kw. then its signal becomes so strong that it pushes back the area formerly covered by the Canadian station which stays at 1 kw.

One example shows how this is working out in actual practice. A 1 kw. Regina station has as the nearest station on its channel a Kansas City outlet. During 1940 the Kansas City station raised its night-time power to 5 kw. and, at the same time, installed a directional antenna of such characteristics that the power being radiated towards the Regina station was nearly 13 times that of 1939. Due to this situation the coverage of the Canadian station is about 20% of what it was prior to 1940.

Could Meet Challenge

If this particular station could go up to 5 kw. and install proper directional antenna, then it is believed that it could restore its former coverage. With that not being possible there is a good probability that it will lose a large part of its audience due to the heavily increased competition from across the line.

The only remaining class under the Havana agreement is Class IV which provides for stations increasing power up to 250 watts. There are no Canadian regulations preventing such moves.

Boiled down to its fundamentals, the fact that Canada is not meeting the full provisions of the Havana Treaty means that our broadcasting facilities are not being used to their best advantage. The service that these stations can render to purely Canadian audiences is being interfered with by stronger signals from adjoining American stations.

That does not suggest any unfair practice by American outlets. These stations are merely living up to the rights given them by the Havana agreement. Canada has the same opportunities.

The **Canadian Broadcaster**

A monthly meeting place
for the radio industry, the
agencies and their clients

Independently Published at
104 RICHMOND STREET WEST — TORONTO

"They Helped Make CKCL
They Now Help Make History"

CKCL, one of Canada's oldest privately owned and operated radio stations, is proud of the Honour Roll of past and present employees who are now serving in the Armed Forces. Some of these men worked with us in the pioneer days of radio and some were with us when the call came to them to serve their country.

Proud of the contributions that these men have made to CKCL and the private broadcasting industry, CKCL will carry on its tradition of service to the community, at no expense to the tax-payers.

Henry S. Gooderham
President.

CAB MEMBER

CKCL Toronto
MUTUAL BROADCASTING SYSTEM

Talking about **PIONEERS...**

Brantford is extremely proud of its record in pioneering long distance communication systems. It was here, in Brantford, that Alexander Graham Bell invented the telephone . . . and the voice of the Telephone City, CKPC, is one of Canada's first radio stations.

It was quite a momentous occasion back in 1923 when the late Cyrus Dolph pioneered CKPC in Preston, Ontario. It was a 25-watter then, bringing the magic of radio to a limited area. Better to serve a fast growing, hard working community, CKPC was moved to Brantford and increased its power to 100 watts. Today, we serve 350,589 people, in the 78,573 radio homes that are located in our primary area. We keep them up to the minute with the latest world and local news, and provide a daily summary of regulations, restrictions and supplies as they affect the Canadian producer and consumer.

For twenty years, CKPC has served Brantford, Paris, Galt, Preston, Simcoe, Delhi, Woodstock and intermediary points faithfully and well, and during that time has established a high standard for both informative and entertaining programs. The resultant listening loyalty means that your advertising message over the facilities of this station is more than an invitation to try your products or services — it is a direct and immediate creation of sales.

100 WATTS **CKPC** 1380 KC.
THE TELEPHONE CITY BROADCAST LIMITED • MRS. J. D. BUCHANAN, Manager
BRANTFORD, ONTARIO
JAMES L. ALEXANDER
TORONTO MONTREAL

CAB MEMBER

Relative Position of Owen Sound Market
LAKE HURON
GEORGIAN BAY
OWEN SOUND
BARRIE
GUELPH
TORONTO
LAKE ONTARIO
STRATFORD
SARNIA
LONDON
ST. THOMAS
CHATHAM
DETROIT
WINDSOR
LAKE ERIE
U. S.

An Important Market
Served by an
Important Station
CFOS
OWEN SOUND

The most intimate and effective radio sales approach to the rich, industrial and agricultural area of Grey and Bruce Counties is CFOS.

Within this Owen Sound Trading Area (Population 77,132) is the busy, industrial city of Owen Sound, also the manufacturing towns of Meaford, Chesley, Port Elgin, Wiarton, Hanover, Southampton and Durham.

And included is Ontario's most important livestock producing and apple growing district.

CFOS, now in its fourth year, is the only radio station in the Counties of Grey and Bruce and is the favorite with both urban and rural audiences in the area. Reason—because it supplies a special district news service, as well as extensive general newscasts and provides programs with definite interest to the people of this part of Ontario.

CFOS — OWEN SOUND, ONT.
250 Watts
"The Voice of Grey and Bruce"
Affiliated with The Owen Sound Daily Sun-Times
Representatives
Stovin & Wright, Toronto and Montreal
In U. S. A., J. H. MacGillvra, New York and Chicago.

CAB MEMBER

The
PIED PIPER
was a
PIKER

CAB MEMBER

Compared with modern radio the power of the Pied Piper was insignificant.

The influence of CKLW in the rich industrial district of Windsor and wealthy agricultural area of Western Ontario—22 hours daily—has increased even further because of the added coverage at 800 KC.

In the midst of all-out war production CKLW blankets a consumer market of ever-increasing buying power.

In the Windsor territory retail sales have already shown increases up to more than 200%. A steady influx of new war workers is raising this figure still higher. Population of metropolitan Windsor has gone up to 140,658, with employment at an all-time high of 49,238 persons.

The average weekly wage in Windsor is $40.81. The average in Canada's other seven top industrial cities is $29.48.

We are averaging 140 hours monthly in donations of time and talent for promoting Victory Loan drives, Red Cross campaigns, Blood Donor Clinics and all the other numerous patriotic appeals. In addition, our staff provides regular entertainments for the men in service, at both Windsor's Active Service Club and the U.S.O. centre in Detroit.

In both of these fields we are more than proud to serve in the public interest, knowing that in so doing we are at least playing a small part in hastening the Day of Victory.

HERE'S WHY CKLW IS DOING A JOB IN SOUTHWESTERN ONTARIO . . .

Total Population	503,985
Total Rural Population	171,551
Total Urban Population	332,434
Occupied Farms	28,431
Fruit and Vegetable Farms	5,583
Total Radio Homes	127,857

Member
CANADIAN BROADCASTING CORPORATION
MUTUAL BROADCASTING SYSTEM
CANADIAN ASSOCIATION OF BROADCASTERS

800 KC.—5000 WATTS
CKLW
At Your Service 22 Hours Daily

WESTERN ONTARIO BROADCASTING CO. LIMITED
WINDSOR - ONTARIO

Radio's Background

Independents Had Humble Start

Cramped Quarters, Crude Equipment, Marked Early Stations

Canada's early independent stations started out a little over 20 years ago with studios in store corners, living rooms and home basements. Privately-owned stations bore all the hardships of those first years; to them goes all the credit for putting Canadian broadcasting on a firm foundation. From the one man station days the independents have expanded into a vital link in Canada's communications, serving individual communities and the nation as a whole.

Today, Canada's broadcasting industry extends across the Dominion. The flick of a switch and turn of a dial in a far-off settlement brings it close to the civilized world. Only 21 years ago there was none of this. There was a skinny handful of people; some who saw a great vision in radio broadcasting, others who saw an interesting hobby. Their listeners huddled patiently over tiny crystal sets, exclaimed impatiently if someone in the room rustled a newspaper.

The early history of radio broadcasting in Canada is the story of individuals; single men here and there who rustled together some equipment, fitted up a "studio" that was nothing short of primitive by present-day standards. All the struggles and heartaches that went into the birth of this new industry were the lot of privately owned stations.

Broadcasting was officially recognized in Canada May 1, 1922, when licenses were first issued by the government. From that time until 1932 every bit of the industry's development was financed by private capital. Some of those 1922 pioneers that are still operating are CFAC, Calgary; CFCF, Montreal; CKCK, Regina; CJCA, Edmonton; CKAC, Montreal; CKOC, Hamilton; CFCN, Calgary; CFPL, London.

Early Losses

Large losses were the usual experience during those early years. It is estimated by broadcasting authorities that it is only within the last six years that any number of privately owned stations have got into the black and started to recover some of the losses of the first 15 years.

The going was too tough for many of the early starters. Of the 59 licenses issued from 1922 to 1924 only 28 are still in operation. In the story of those stations that have kept going during those hard years, that saw an industry leap from infancy to maturity, there is a common theme. This is a very humble beginning in almost unbelievably small quarters, and incredibly limited equipment, with one or two employees who were jacks-of-all-trades.

Living Room Studio

One of the early comers was CFCY in Charlottetown, P.E.I., whose first studio in 1920 was the living room of the proprietor's home, converted from time to time as the occasion arose. There was one microphone and one simple amplifier. The station's payroll has since grown from one to 21 employees. A new studio building contains modern 1,000-watt equipment, three studios, and two control rooms, while it also has a mobile radio transmitter. From a two-hour daily schedule in 1921 it is now on the air 16½ hours a day.

On the other side of the Dominion, CJVI, Victoria, B.C., started out with one studio, untreated for sound, and home-made control room equipment. There was no audition equipment, no rehearsal facilities and no recording equipment. The station now has two modern studios, a fully equipped control room, excellent audition and rehearsal facilities, and portable recording equipment.

Store Corner Station

Back in 1926 a corner of a Kamloops furniture store was curtained off and a heavy carpet put on the floor. That was the first studio of CFJC, which boasted power of 10 watts, one microphone, one home gramaphone, two part-time employees and an operating schedule of 1½ hours daily. The station's 1,000-watt equipment now operates 16 hours a day from two large studios.

One of the most powerful independents is CFRB, Toronto, which carries 10,000-watt power. This station started out in 1927 in part of an art gallery with six employees. It now consists of four studios and employs 37 people. This station boasts a very complete radio musical library including 9,000 symphonic, operatic and concert scores and orchestrations, along with 10,000 scores of popular music.

CHSJ studios in Saint John, N.B., used to be in a theatre and consisted of two small rooms treated with drapes. In 1934 the station took over seven rooms in a hotel, and six years later built a fully up-to-date building to house its studios, control room and offices.

Five Watter

One of the smallest stations was CFCO, Chatham, Ont., which started out in 1926 with a power of five watts. The original studios were in the basement of a private home with draperies hung a few inches from the concrete walls and ceiling. The first transmitter was powered by storage batteries that could operate 1½ hours without recharging. The one employee averaged a weekly broadcast schedule of half an hour. The station now occupies several rooms in a hotel and is on the air 15 hours daily.

A similar story is that of CKOV, Kelowna, B.C., which had a 20 by 30 ft. shack divided into two rooms, one generator room, office and workroom, and the other a studio, control and transmitter room. The present manager of the station at that time was the anouncer, operator, salesman, program director, and did anything else that had to be done. His 18-year-old son performed general duties, and is now the station's chief engineer.

CJOC, Lethbridge, has graduated from its 1926 stage of operating home-made equipment in a private garage, to a penthouse on a hotel, where it has two studios, two control rooms, newsroom, talk studio, library and production office and executive offices.

These stories are typical of the small way in which Canadian independent radio stations started out. From these humble beginnings they have grown in size and in service; they have persevered through very trying times that effectively weeded out the weak sisters of the industry.

Training Ground

The small independents have proved an excellent training ground for announcers, writers and technical men. Many of those now with the big outlets or with the network first found their feet in broadcasting at a local station.

Part of that training has been made possible because the limited budget of a small station makes it necessary to employ people capable of doing more than one job. There are comparatively few stations in Canada where announcers do not do double duty in script writing or production work.

From a broadcasting schedule of one or two hours daily these stations have expanded their air time to 15 to 17 hours each week day.

This growth in facilities and service is a great tribute to the tough fibre of the people in the industry and to the free enterprise system that gave them an opportunity to take what was virtually an interesting toy and make from it what is now a mighty medium of service and inestimable value to their individual communities and to the nation as a whole.

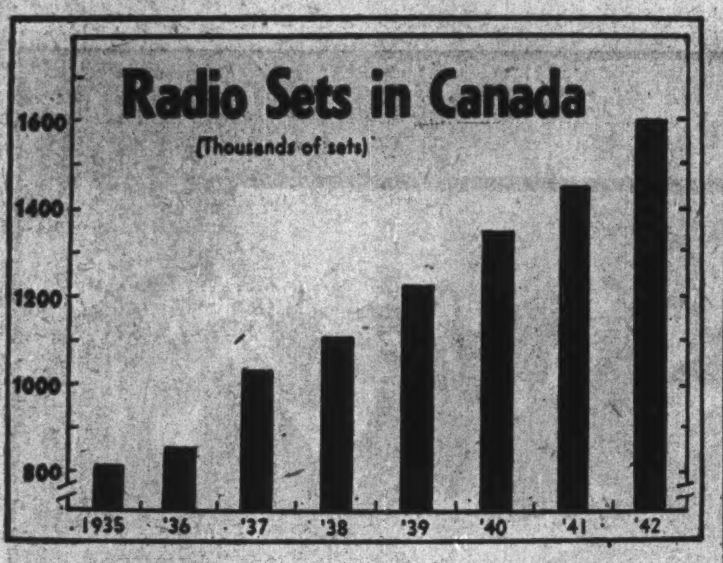


Chart by The Financial Post

Today Canadians have about twice as many radios as they had eight years ago. Each year there has been a substantial increase in the number of sets in service. The chart showing 1.6 million sets for 1942 is only for those licensed; those being operated without a license are believed to run into substantial figures, some authorities placing the total around 300,000.

CJCS STRATFORD ONTARIO 1240 K.C.

BECAUSE CJCS has taken the lead for many years in broadcasting local events and in publicizing features of local importance, this station has well earned its outstanding popularity in western Ontario.

Whether it's local interest the listeners crave or local popularity the advertisers want, both turn to CJCS Stratford.

★ ★ ★

WE OFFER YOU, Mr. National Advertiser, the same proven popularity that these local advertisers so plainly endorse by their preferred patronage of this station.

C A B MEMBER

An ALL-CANADA *Station*

ACTION STATIONS
-- every one

"All-Canada" is a family of 34 privately owned and operated stations from coast to coast keyed for action and actively working together for the better service of their respective communities. Their record of progress is an impressive one.

For over 20 years "All-Canada" stations have applied their combined experience, technical knowledge and financial resources to the improvement of station broadcasting equipment, facilities and programmes, and have used these facilities generously in community service. Today they provide employment to hundreds of radio technicians, operators and artists and have won a respected and influential position in their communities.

The All-Canada Stations

BRITISH COLUMBIA	
Kamloops	CFJC
Kelowna	CKOV
Trail	CJAT
Vancouver	CKWX
Victoria	CJVI
ALBERTA	
Calgary	CFAC
Edmonton	CJCA
Grande Pr'rie	CFGP
Lethbridge	CJOC
SASKATCHEWAN	
Moose Jaw	CHAB
Prince Albert	CKBI
Regina	CKCK
Regina	CJRM
MANITOBA	
Winnipeg	CJRC
ONTARIO	
Hamilton	CKOC
Kingston	CKWS
Kirkland Lake	CJKL
North Bay	CFCH
Peterborough	CHEX
Stratford	CJCS
Sudbury	CKSO
Timmins	CKGB
Toronto	CFRB
QUEBEC	
Montreal	CFCF
New Carlisle	CHNC
Rouyn	CKRN
Val d'Or	CKVD
MARITIMES	
Campbellton	CKNB
Charlott'e'n	CFCY
Fredericton	CFNB
Halifax	CHNS
Sydney	CJCB
Yarmouth	CJLS
NEWFOUNDLAND	
St. John's	VONF

Exclusive Representatives
ALL-CANADA RADIO FACILITIES *Limited*
MONTREAL, TORONTO, WINNIPEG, CALGARY, VANCOUVER

MOLEHILL
ONE MILE HIGH?

To make a molehill 1 mile high: Take 1 reasonably industrious mole. Set him to work on a nice, soft piece of ground exactly 5,279 feet 11 inches up. The top of your molehill will then be exactly 5,280 feet, or 1 mile high.

Moral: It's a lot easier to get to the top if you start *high*.

And it's a lot easier to get high listenership to a radio program if people are already tuned to the station when the program starts. If people are listening to the station, they're ready to listen to you. You don't have to make them remember your time and station . . . you don't have to make them reach out and turn the dial. They're *there!*

CFRB leads in Central Ontario with the highest, *constant* level of listenership. Why? Because CFRB is an independent community station whose aim is to entertain, inform and provide a public service to the people of Central Ontario. It is concerned with *their* interests and *their* problems . . . gives them what *they* want.

Surveys show the result. One quarter of all radios in CFRB's listening area are *always* tuned to CFRB. And that listening area is the richest market in Canada!

So, if you want to give your program a *head start* with the biggest audience in Canada's richest market—*ready made*—use CFRB.

CANADIAN ASSOCIATION OF BROADCASTERS C A B MEMBER

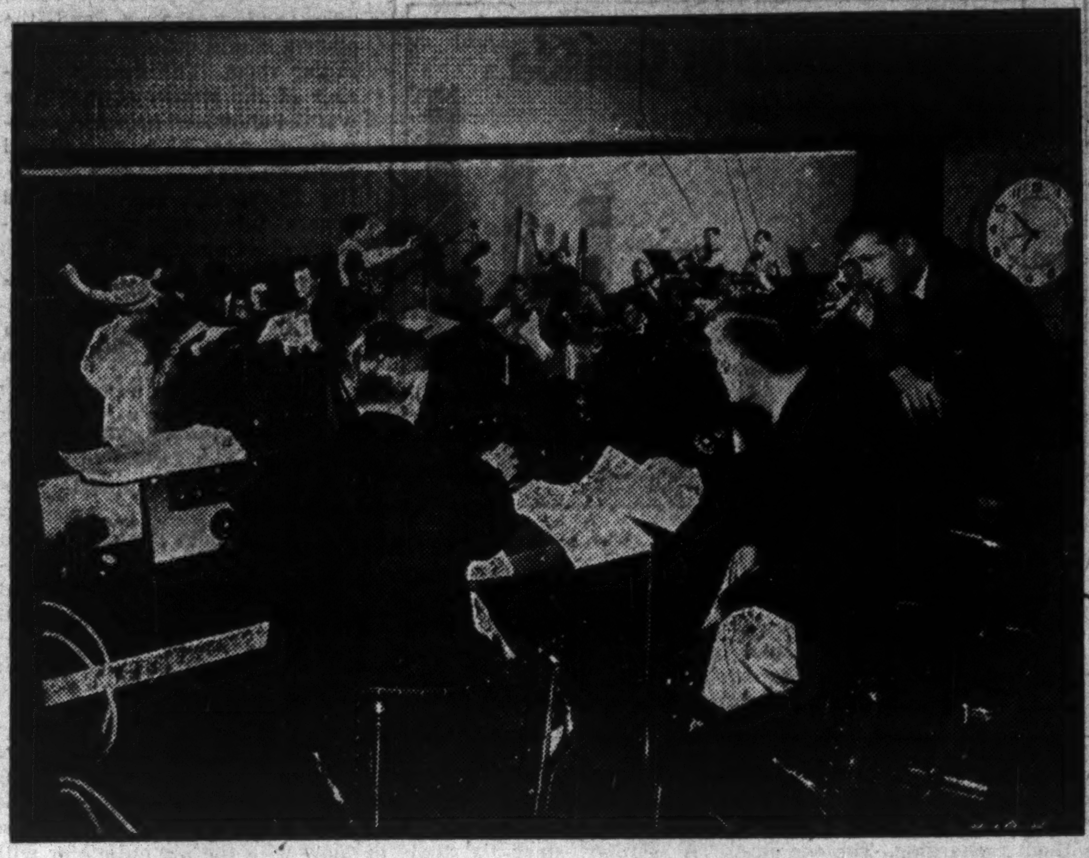
IN CANADA'S RICHEST MARKET PEOPLE
KEEP TUNED TO CFRB FOR ENTERTAINMENT
TORONTO CFRB 860 KILOCYCLES

Control of Radio

"If I Ran the B. B. C."

Author's Comments Have Canadian Parallels

J. B. Priestley, distinguished English author, recently wrote for the London Sunday Dispatch an article entitled, "If I Ran the B.B.C." Excerpts from the article are herewith reproduced in view of some of the interesting parallels that can be drawn from Mr. Priestley's comments in connection with the Canadian broadcasting system.



Radio has brought fine music in reach of everybody—has made it possible to turn a dial and listen to the world's most famous orchestras. Here is a symphonic group "on the air."

During the last few years I have spent nearly as much time in the United States as I have at home. This is very unsettling. You cannot settle down comfortably in either place. The other kind of life, across the Atlantic, always seems the better life. You soon begin to long for what you have left behind.

Thus it is that after I have been a few months in America, which has wireless, screaming its advertisements, turned on like a tap everywhere, I begin to think kindly of the dignified B.B.C.

But when I have been back here a few months I long to tune in to one of those innumerable American stations and to hear again a program that sounds brisk, efficient and professional.

There seems something both amateurish and patronizing about the B.B.C., as if the charitable lady of the manor had got up an entertainment to keep the men of the village out of the public houses.

But if one is going to criticize the B.B.C. it is clearly much better to compare it with some other actual broadcasting system than to say it falls short of some impossible ideal of radio entertainment.

Monopoly

And here I am rather well placed, because not only have I often listened to American radio programs, but I have also taken part in them, having broadcast in New York, as well as other American cities, many times.

Now why is the B.B.C. so often and so severely criticized?

For the answer you must look beyond a host of surface weaknesses and faults, to the one gigantic weakness and fault.

What is really wrong with the B.B.C. is that it represents a monopoly. No other broadcasting system is allowed. Competition is barred. There is only one runner in the race. So that the listener here in England is told to like it or to lump it.

I earn my living chiefly by writing books or plays. Supposing there was only one firm of publishers, one great bookshop, and all the theatres were controlled by one man?

The very idea chills me. I should loathe the situation. One bad quarrel, and I might find myself thrown clean out of work.

But the man who lives by broadcasting in England must please the B.B.C. or starve. He cannot say, "I'll walk across to your competitors." There are no real competitors. The B.B.C. stands alone.

For some kinds of service, competition is wasteful and absurd. You do not want two post, telegraph or telephone systems in a country. I doubt if there is very much gain even in having competing railway systems.

But the B.B.C. is another category of service, where, in my opinion, a monopoly is wrong. For it sets out to be an entertainer, and nobody wants entertainment on a "take it or leave it" basis.

There is a world of difference between a variety show and a penny stamp. You do not want to pick and choose a penny stamp. One new one is as good as another. But you do want to pick and choose your entertainment.

Confusion

The truth is, there has been a horrible confusion. The B.B.C. was granted its monopoly because it was thought of as a kind of post office, doing something solemn and important for the people.

It was rightly observed that broadcasting constituted a new and very significant form of communication which ought to be under official control because during wartime, or in any national crisis the radio service would be of the highest importance. So far, so good.

But then this solemn institution, which had been seen as a kind of post office, using the ether to distribute news, official announcements, and educative talks, had to turn itself into a gigantic entertainer, a three-ringed circus of the air, in which it still enjoyed a monopoly.

And this is where the mischief was worked. It was organized as one thing and had to turn itself into quite a different thing, as if you had organized a nice little committee to run a ladies' bridge tea in Cheltenham and then suddenly found you were expected to amuse the crowd at Blackpool Tower.

Then, do not forget, no competitors were allowed. Not only were you expected to amuse the crowd at Blackpool Tower, but nobody else in Blackpool was allowed to try to amuse them. That does not exaggerate it in the least.

Not First Class

The B.B.C. had enough money to turn itself into an entertainer, but not enough money to turn itself into a really first-class entertainer.

The annual revenue of the B.B.C. looks very impressive and some people seem to imagine that it is sufficiently large to provide several programs of first-class entertainment, every afternoon and evening. But, of course, it is not.

There is really not enough money to do things well. There is probably about enough money to pay for one really good evening per week.

My argument then is this: The B.B.C. is an institution founded in the first place to control this method of communication, the radio. It should not have turned itself into a vast popular entertainer.

Reform Suggested

But if the present monopoly enjoyed by the B.B.C. cannot be broken, if it must still be "like it or lump it," then I can only suggest that the policy and programs be severely reformed.

I think the people who prefer quantity to quality have been catered to for long enough. It is time the rest of us were amused.

Now, the radio showmen have one advantage over all other showmen, and that is that there is no limit to the size of their audiences. Nobody need be turned away from the all-star show. The cream of the country's talent can be enjoyed equally by everybody at once.

I suggest the B.B.C. spends a great deal of money on program "high spots," in every department and gives the "wireless-all-day" lunatics the cheapest possible fare, gramophone records by the hundredweight.

Let four hours of really superb radio entertainment a week be the target of their endeavors.

More Radios Installed Than Plumbing Fixtures

More Canadian homes—urban and rural alike—possess radios than possess modern installed plumbing conveniences. That is what a survey of radio ownership in Canada reveals.

It is estimated there are well on the way to two million radios in Canada of which Ontario accounts for 40.8% and Quebec contributes 21.4%.

Distribution of Canada's population (1941 census figures) and the Elliott-Haynes survey of corresponding radio ownership is as follows:

Province:	Total population	No. of families	Proportion of all families %	Proportion of all radios %
Prince Edward Island	95,047	23,540	0.9	0.6
Nova Scotia	577,962	139,103	5.1	3.6
New Brunswick	457,401	107,682	3.9	2.9
Quebec	3,331,882	752,733	27.5	21.4
Ontario	3,787,655	988,675	36.1	40.8
Manitoba	729,744	154,977	5.7	7.1
Saskatchewan	895,922	171,677	6.3	7.2
Alberta	796,169	166,872	6.1	7.2
British Columbia	817,861	229,794	8.4	9.2
Totals	11,489,643	2,735,053	100.0	100.0

Sound effects of all kinds are used to give reality to radio broadcasts. Cellophane, rubbed between the hands, sounds on the air like the crackling of a fire. Here's a performer cooking up some muffled footsteps.

OKANAGAN BROADCASTERS LTD.
CBC Basic CKOV 1000 Watts
"The Voice of the Okanagan"
KELOWNA
COVERING BRITISH COLUMBIA'S SECOND MARKET
630 KILOCYCLES INDEPENDENTLY OPERATED
CAB MEMBER

In Vancouver
CKWX
CAB MEMBER
- An independent privately owned station.
- Founded in 1923, CKWX has faithfully served the public of British Columbia for 20 years.
- Now in wartime our responsibilities to our listeners are manifest. CKWX is proud of its place in community service.

Vancouver's CKWX 980 KCLS 1000 WATTS
Frank H. Elphicke Manager

CJOR
THE BRIGHT SPOT AT 600 ON EVERY DIAL
A part of Vancouver since 1926
500 600 700 800 900 1000
THE ALERT COMMUNITY STATION
PUBLIC MINDED—DOING A TIMELY AGGRESSIVE PUBLIC RELATIONS JOB
1,000 Watts
Representatives:
STOVIN & WRIGHT, TORONTO AND MONTREAL
CAB MEMBER

Important Changes on
CANADA'S PACIFIC FRONT LINE

Pearl Harbour changed "Canada's Pacific Playground" into Canada's Pacific Fortress and today Victoria, B.C. is a key outpost in the defence system facing Japan.

Men of Canada's Navy, Army and Air force and their families, hundreds of workers in new shipyards, drydock defence workers and war industries have greatly swelled the population of Victoria.

The importance of CJVI — Victoria's independent radio station — has also increased both in terms of public and commercial service. With nearly double the audience, CJVI still operates on its old rates, making it one of the best advertising buys in the Dominion.

CJVI
VICTORIA, B.C.
An ALL-CANADA Station

CAB MEMBER
CFJC
SERVING THE HEART OF BRITISH COLUMBIA SINCE 1926
Studios in the Interior Capital
KAMLOOPS
910 Kcs — 1000 Watts

CJGX
YORKTON
Western Canada's Farm Station
Serving over 300,000 in North Eastern Saskatchewan and North Western Manitoba.
1,000 Watts
Representative
Stovin & Wright, Toronto and Montreal.
CAB MEMBER

CFGP
IN THE PEACE RIVER COUNTRY AND NORTHERN BRITISH COLUMBIA
IT IS
CFGP
"THE ALASKA HIGHWAY STATION"
in Grande Prairie, Alberta
Independently owned and operated in the interests of all its listeners
250 watts 1340 Kc.
CAB MEMBER

First in Saskatchewan
CFQC SASKATOON 1000 WATTS
Provides the most complete program service to the radio listeners of North-Western Saskatchewan.
CFQC is a "must" station on all national campaigns.
CAB MEMBER
Radio Representatives Limited
TORONTO AND MONTREAL

CKBI PRINCE ALBERT SASKATCHEWAN
1000 Watts 900 Kilocycles
CAB MEMBER
BROADCASTING from the centre of the province. The centre of activity in Saskatchewan.
1942 WINNER of Billboard's annual award for public service.
Owned and Operated Solely by Prince Albert Citizens in the Interest of Central and Northern Saskatchewan

Our call letters are
CJAT
BUT — most people call us GEORGE
In every community many people, even in war time, are content to let George do it. So we stepped proudly into George's shoes in the Kootenays! We thought it our War Time duty. Ask the Victory Loan Committee . . . the Patriotic & Welfare Society . . . the Red Cross . . . or any one of a score of war charities how well we fill George's shoes! Such community service has developed a loyal family of listeners for
CJAT
Trail, British Columbia
"The most powerful voice in the Kootenays"
CAB MEMBER
An ALL-CANADA Station

REGINA'S ACTION STATION
1000 Watts CJRM 900 K.C.
"The 'Saskatchewan Farmer' Station"
REGINA, SASK.
A privately owned and operated station with a record of
17 YEARS
continuous public service
CAB MEMBER
An ALL-CANADA Station

There's a real
LEADER
in every
Community

CKCK aired its first broadcast on July 29, 1922. That's almost 21 years ago, and ever since then CKCK has been closely identified with the civic life of the community. CKCK's job is to sell, and sell it has, whether the job has been a commercial, patriotic or civic one. It has earned the goodwill and respect of the community. It has the loyal listenership of its community, and this acceptance is a vital part of its sales influence in purely commercial broadcasts.

Radio means a lot of things to a lot of people. But we're very proud of the fact that in Regina, in southern Saskatchewan, radio means "CKCK".

CKCK
REGINA SASK.
Saskatchewan's Pioneer Broadcasting Station

An ALL-CANADA *Station*

21 YEARS
of continuous Public Service in Southern Alberta

1922 — 1943
THEN and NOW
One of Canada's first-line stations
CFAC
Calgary, Alberta
1000 Watts

The Home Station of
ALL-CANADA
RADIO FACILITIES LIMITED

"The Voice of the Sunny South"
— has independently served the Lethbridge community for 17 years

CJOC
LETHBRIDGE, ALBERTA
1000 Watts 1000 K.C.

An ALL-CANADA *Station*

Radio Technique

Behind the Microphone

Vast Array of Technical Equipment Required

One of the problems in producing a radio script is finding the proper sound effects. Here radio actors are shown going over a script with a sound man. Note the odd devices they are experimenting with, one of them the bladder of a football. The "mike" is extremely delicate, exaggerates small sounds. The striking of a match near a microphone sounds, on the air, like a rifle shot.

To the average layman there is still something of magic in the fact that someone can speak into a microphone thousands of miles away and be heard in a million living rooms. There is no magic, of course, but there is plenty of intricate equipment and technical skill.

For both high powered and low powered stations the principles of broadcasting are fundamentally the same. The equipment involved for a large station is extensive, and the capital expenditure considerable; equipment for the smaller stations is the same, but of less power, and the capital expenditure considerably less.

There are two main types of programs, those originated in the studio by live talent, and transcription programs which are recorded on discs similar to home phonograph records, but are much larger.

Starts at Mike

In a live broadcast the speech or music is picked up in a microphone in a studio, the studio itself being part of the plant of a broadcasting station. This microphone is able to convert sound waves into electrical impulses of extremely low power. These electrical impulses are carried from the microphone over a microphone cable to an electronic amplifier. Here the power or strength of the impulses are increased to a sufficient amount so that they can be controlled by the studio operator located in the control room adjacent to the studio.

The control room is marked by a dazzling array of dials, knobs and buttons. As the electric impulse enters the amplifier it is built up and then fed through a mixing channel where the control operator mixes the various sound levels in their right proportion; in the case of an orchestra, the various instruments are mixed.

Passing through this mixing console these electrical impulses lose some of their power and have to be again built up through electronic amplifiers before being fed to the telephone line leading to the broadcast transmitter proper which might be located several miles away, usually in open country.

Transcribed Show

In the case of a transcribed program the principle of operation is the same as for a live show except instead of using a microphone a phonograph pick-up is employed. The turn-tables in a broadcasting station are somewhat more elaborate than those found in the home. They have to accommodate a 16-inch disc and for operation it is important that the speed of the turn-table remain constant.

After the electrical signals are built up through an electronic amplifier and mixed, as in the case of a live talent program, they are further built up through additional electronic amplifiers before passing over the telephone line out to the transmitter.

There are various other pieces of equipment around a broadcast studio to help put on a program, such as monitoring amplifiers and monitoring speakers. Function of the monitoring amplifier is to build up the strength of the signal sufficiently to operate a speaker. A monitoring speaker is used to indicate the quality of the program to the control operator.

An important feature of every station is that its programs run on time in order to fit in the day's program schedule. Most modern studios therefore are equipped with various clocks located in different places, all synchronized with a master clock for perfect time keeping.

Remote Control

An increasingly important part of many stations are the remote broadcast features, or programs that are picked up at dance halls or public functions. The equipment for these programs usually consists of one or two microphones and a remote electronic amplifier of a portable type operated by batteries. This equipment amplifies the electrical impulses picked up from microphone for transmission over the telephone lines to the studio, where the signal is controlled and again sent over the telephone line to the broadcast transmitter.

When programs reach the transmitter building from the studio they are again controlled by an electronic amplifier so that the level or strength is right before feeding to the broadcast transmitter. The transmitter is nothing more than an extremely powerful electronic amplifier for building up the radio frequency signals with which are mixed the programs or audio signals from the studio and then fed to the antenna. From the broadcast antenna the radio signal is carried through space and is picked up by the home antennae, there reaching its final objective.

The broadcast transmitter, as noted, is a powerful electronic amplifier, which operates at a certain frequency within the broadcast band between 550 kc. and 1,600 kc. depending upon the specified assigned frequency of that particular station. An important part of a transmitter is a crystal oscillator, the function of which is to make the transmitter oscillate at the assigned frequency and to keep it on that frequency without deviation so that when listeners tune in their radios they will always find the same station at the same place on the dial.

Radio Use Wide In Evenings

Winter Brings the Most Extensive Use of Radios by Canadian Listeners

Research work carried out by Elliott-Haynes Ltd., has revealed three outstanding facts about the radio listening habits of the Canadian public:

1. Canadians use their radios much more in the evening than during the day at all times in the year.
2. A much greater use of radios is made in the wintertime than during the summer months.
3. Seasonal variations in listening habits are much more marked for evening "listening in" than daytime programs.

The survey showed that radio sets are most actively used during January nights when 38.3% of all sets can be expected to be in use. Over 30% of all radio sets continue in use during evenings right up to June when night radio set use drops to 29%. After dropping farther to an August low of 22.6%, radio set use mounts rapidly to 35.7% by December.

February finds the greatest daytime use of radios. Some 25 out of every 100 radios are in use at one time, it is estimated. August again brings the low point with only 16.7% of radios on in the daytime.

Taking a weighted average, February is the month in which radio interest is highest with 28.6% of all radios in use. The weighted average shows over 20% of all radios in daily use except in the months of July and August.

CHAB
IN THE VERY CENTRE OF SOUTHERN SASKATCHEWAN
MOOSE JAW

A Personality Station

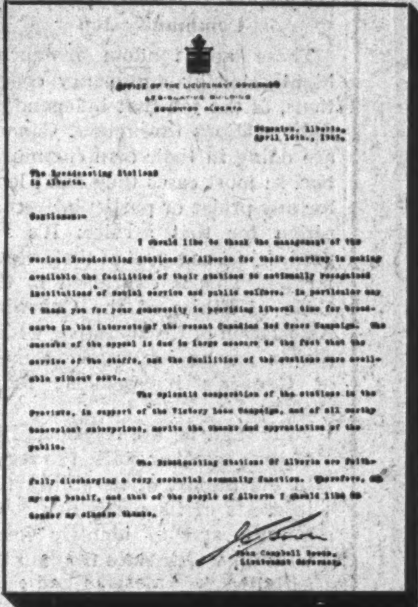
DOMINATING
SOUTH WESTERN
SASKATCHEWAN

IF YOU HAVE NOT ALREADY EXPERIENCED THE PULLING POWER OF THIS GROWING YOUNG GIANT . . . . CONSULT OUR REPRESENTATIVES.

A MEMBER OF THE C. A. B.
AN ALL CANADA STATION

1000 WATTS - - - MOOSE JAW, SASK. - - - 800 KC

21st ANNIVERSARY PRESENT FOR



Congratulatory message on Radio's community service received by the Lieutenant-Governor of the Province of Alberta.

CJCA
Edmonton, Alta.
Station of the "Edmonton Journal"

CJCA serves the rapidly growing community of Northern Alberta with entertainment, information and news.

CJCA is proud of its community service record — which shows vigorous support to every worthwhile benevolent and charitable enterprise — all out aid to every Government service department, Victory Loan, War Savings and recruiting campaigns. We're proud, too, of our aggressive efforts to locate and develop local talent.

An ALL-CANADA *Station*

CFCN
CALGARY *"The Voice of the Prairies"* ALBERTA
10,000 WATTS . . . . . 1010 KC.

1943—OUR 21st BIRTHDAY

21 Years ago we started to GROW. In 1922 CFCN was a tiny 100 watt station . . . . Today CFCN's 10,000 watts of power, popularity, market coverage, and low cost per listener make CFCN the most productive (draft exempt) salesman in the rich Western Canadian (Alberta) market . . . . Alert advertisers are enjoying a rich slice of CFCN's birthday cake . . . . ARE YOU?

Twenty-one years . . . . a short span in world affairs . . . . the whole life of radio

Twenty-one years serving the public of Western Canada; many of them non-profitable years of clearing land, stump-pulling, root-grubbing and summer-fallowing; hoping some day for a crop to obliterate the red ink from the ledger . . . After twenty-one years of pioneering, do we lose the homestead? Will private enterprise survive (with its facilities available to all citizens) or will public ownership engulf radio . . . become innoculated (à la Hitler) with bureaucratic and discriminating tendencies to limit facilities to sympathizers and stooges, and free speech become but a cherished memory? After twenty-one years we see these questions as vital to Canada's future. PRIVATE RADIO IS THE ONLY GUARANTEE OF IMPARTIAL SERVICE TO ALL FACTIONS.

MEANTIME—RADIO'S JOB IS TO GET ON WITH THE WAR!

Public Service

Radio's Role in the Community

Private Stations Are Geared to Local Needs

Independent radio operators consider one of their first duties to be service to the community in which they are located. Many and varied are these local services, which cannot be effectively carried out by networks or large stations that cover an extensive area. Private stations are close to the people they serve; they know what they want and can talk to them in their own language. Without the local radio station a valuable part of Canadian community life would be lost.

Last winter in war-crowded Edmonton a freak of fate caused three accidents, each one carrying highly dangerous possibilities. In each case independent radio facilities played an outstanding part in meeting the situation.

In 40 below zero weather a break occurred in the gas line serving the vast majority of the city's home owners. To keep this from getting larger it was necessary for householders to turn off their gas appliances. The Edmonton station started to make a series of announcements telling householders what to do. The gas company estimated that it got 95% cooperation, enabling it to repair the break in four hours.

During a serious water main break radio facilities were used to tell the people of Edmonton to turn off the heaters under their hot water tanks and the gas in basements endangered by flooding. It is believed this prompt action avoided tragedies.

A storm caused a complete break-down in the city's transportation facilities. During the tie-up the radio station told its listeners what firms did or did not require employees.

As services gradually opened up during the third to sixth day of the emergency the radio advised what street car service was available and on what routes. At the height of the storm, broadcast warnings are believed to have saved lives and thousands of dollars worth of property.

In Toronto last winter local radio stations told war workers of dangerous road conditions leading to the suburban plants. In St. Catharines, Ont., a short time ago, a strike at an important war plant was settled over the week-end. Due to the time of the settlement it was not expected that more than 75% of the workers would know about it and return to work. The news was put over the St. Catharines' station and on Monday morning a full staff was back on the job.

When a bulletin has been prepared by a radio news service (Canada has two of them, Press News and BUP) an operator punches it out on paper that looks like ticker tape. This is fed through teletype machines, goes simultaneously to subscribers in various parts of the country. Photo shows one of the operators at Press News.

Community Job

These are random instances, highlighted by emergency conditions, of the job that independent radio stations throughout Canada are doing in their own communities. In most cases they don't look for any praise or particular recognition for that service. It's regarded just as a part of their regular job. This is expressed in the Code of Ethics of the Canadian Association of Broadcasters, which counts among its members most of Canada's independent radio outlets:

> "It shall be the responsibility of each member station to serve to the utmost of its ability the interests of its particular community and to identify itself with all worthwhile community activities."

The expressed Canadian Broadcasting Corp. policy in connection with the independents is to recognize their utility in serving a community purpose and to use them when necessary to supplement the coverage given by CBC stations.

First Duties

Privately owned stations consider their first function to be broadcasting the best available entertainment, information and news consistent with revenue. But they have a further duty to perform. That is making known the goods and services which are available for the convenience and comfort of their particular community.

The small merchant can find in his local radio station a good medium for telling his message to the people he wants to sell. On a more high powered station built to serve a large area he would be scattering his shot.

A station which serves several communities must necessarily operate on a more generalized basis than the outlet which operates primarily for a more restricted area.

By its very nature it cannot enter into community activities to the same degree.

The independent radio station fills a role that can not be taken either by national or regional networks, or high powered stations. These outlets can be closely geared to the desires of their communities, and there is often considerable local pride in the radio station.

Meets Local Tastes

One example of how a local station can meet community tastes is that of Stratford, Ont. This city is known throughout Canada as a musical centre, mainly because of its large annual music festival. There are a high percentage of listeners in the city and district who prefer the better type of music and for the benefit of this audience the Stratford station for some years has put on three hours of concert music daily.

Small doubt exists that such a schedule in many other communities would be far from popular. In certain districts, some listeners have made no bones about their dislike for the length of the Saturday afternoon opera broadcasts, preferring old time barn dance music or something similar.

Variety of Services

Community services cover a broad field. The Kelowna, B.C., station broadcasts the "B.C. Tree Fruit Bulletin," a special service for the fruit growers of the Okanagan Valley. The Chatham, Ont., outlet, developed the "Western Ontario Farmer's Hour" in 1934 as the first program of its kind in that part of the province. This program has been expanded to 1½ hours every week day, giving farmers of the district entertainment and information.

Most independent stations keep a close contact with local musical groups, glee clubs, music departments of the schools, etc. The efforts of such bodies are very tangibly encouraged. A Toronto station gives a twice yearly period over to one choir a day from Ontario secondary schools. The same station makes a practice of encouraging both school and church choirs, particularly during the Christmas and Easter seasons. These choirs are featured on programs and are paid a fee for their services.

In Trail, B.C., the station gives a half hour daily to the artists engaged in the music festival of that region. Similar tie-ups are general throughout the country.

Many stations give time for A.R.P. talks. In some centres the radio station is used for headquarters during Victory Loan, Red Cross and other drives.

Junior Listeners

Considerable attention is given to the junior audience. A Halifax station has operated a Safety Club for some nine years with a membership running into tens of thousands. Vancouver station operators run a safety quiz program with prizes, in the summer recording their program in the parks on Friday and broadcasting on Saturday so the children can hear what they sound like on the air. The Trail, B.C., station facilities are made available to the city's juvenile library to promote use of the library by local youngsters.

A Vancouver station has developed a new departure in children's features. This is a Junior News Roundup, a news commentary designed for juvenile listening.

In Victoria the "Servicemen's Show" is broadcast every Sunday evening in a theatre holding 1,800 servicemen and women and their guests. Noted tenor Richard Crooks was the star of one of these broadcasts. This program not only gives the servicemen somewhere to go on a Sunday evening when week-day forms of entertainment are closed but also gives them an opportunity to repay the hospitality of Victoria people by bringing them to the show as guests.

Independent radio stations have again proved their value in cooperating with National Selective Service officials. Shortages of labor, usually of the seasonal type, have occurred in various communities. The local radio outlets have gone to work and broadcast for help with some real results being reported by N.S.S. officials.

Similar co-operation with government facilities has been carried out in connection with the large number of orders from the Wartime Prices and Trade Board. Many of these orders have a vital effect on important sections of the population but they might be missed by the people who will be most affected. This is particularly true in farming or more remote communities.

There are cases on record of stations making daily farm broadcasts, during which they not only give current market prices—incidentally another community service—but have taken WPTB regulations directly concerning farmers and explained their meaning in detail.

Other programs of a like nature are primarily directed to the women listeners. WPTB regulations, rationing news, and other official news affecting the householder are aired for the benefit of the women of the community.

Local stations generally take a leading part in community drives for charitable or patriotic purposes, considerable amounts of time being freely donated for these efforts.

For these and many other services, the small privately-owned station can be said to fill a very definite and important role in the life of a community. They perform a service which could not be done with nearly the same effectiveness by any other medium or by larger stations with a broader coverage.

COMMUNITY NEWS SERVICE

Independent radio stations in many sections of Canada have proved themselves long on enterprise and service to their communities. One good example is the station in Moose Jaw, Sask., which covers a large area that is only sparsely populated.

Most of the people in the district covered by the station don't see a daily paper. To keep them up to date on nearby news developments the radio station has set up 25 correspondents in various key points throughout southwestern Saskatchewan who phone or wire in the news from their area.

THESE IMPORTANT

Size of family, occupation and location, have been found three all-important factors in time the average Canadian family spends listening to the radio. In Quebec, where families run large and there are more people to turn the radio on, it is not surprising to find radios extensively used.

CKWS
KINGSTON
CHEX
PETERBOROUGH

STANDARDS OF PRIVATE ENTERPRISE

The pioneering spirit of private enterprise opened two new radio services in 1942... CKWS Kingston and CHEX Peterborough. Each station has the most modern 1000 watt equipment in Canada, including DIRECTIVE ARRAY.

CHEX brought Peterborough its first and only local broadcast outlet. Until CKWS opened last year, Kingston was not adequately served by radio. Today, these modern independent stations deliver first class programs to a territory that is booming with wartime industry.

CHEX PETERBOROUGH
OWNED BY PETERBOROUGH BROADCASTING CO. LTD.

CKWS • • • KINGSTON
OWNED BY ALLIED BROADCASTING CORP. LTD.

Representatives: **All Canada Radio Facilities**

Memo to Time Buyers!

The war has changed many things. Many civilian lines have had to be discontinued in favour of war production.

With these changes comes the problem of keeping the experienced retailer in business — ready to handle your specialties after the war.

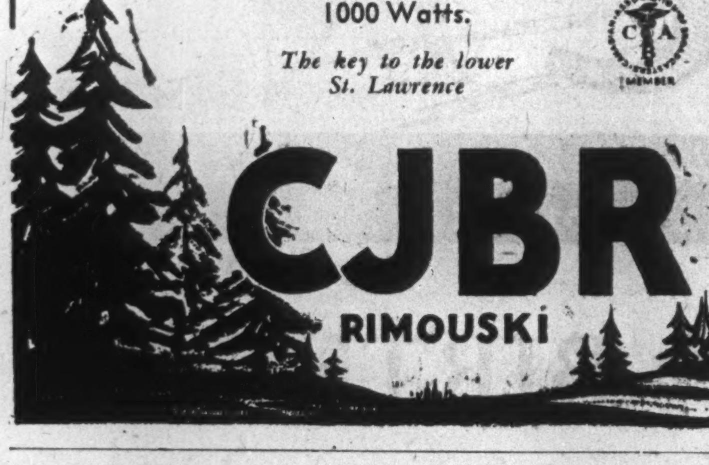
Even though you have nothing to sell you can help by advising on care and maintenance and about substitutes. You can tell them about your postwar plans and new developments.

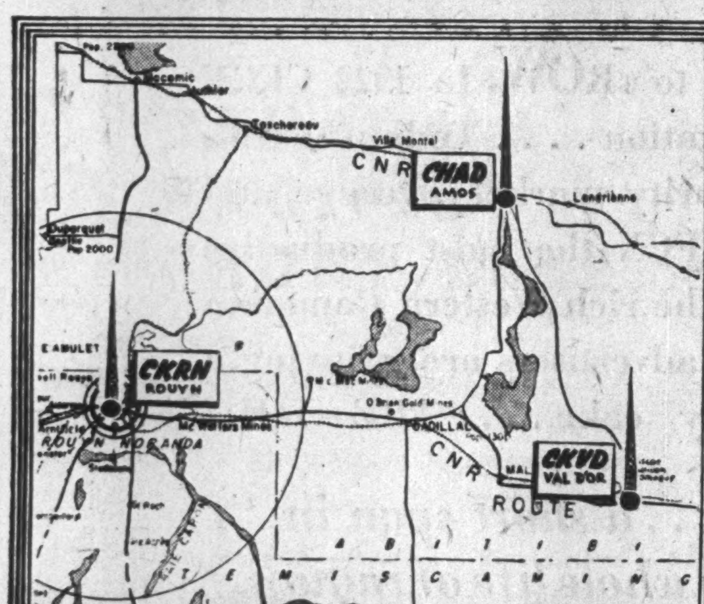
Advertising can also help you to compile a list of prospects for your line when production begins again.

Advertising can do for you a bigger job than ever before. Start with CJBR in the heart of the lower St. Lawrence Timber Belt, where 413,486 buyers with millions to spend await the progressive advertiser.

Affiliated with the C.B.C.
1000 Watts.

The key to the lower St. Lawrence





Pioneers in the North

Through the Northern Quebec Broadcasting System, with transmitters at Rouyn, Val D'Or and Amos, the initiative of private enterprise continues to pioneer this wonderland of riches. All programs originate at CKRN Rouyn and are fed by network lines to Val D'Or and Amos.

CKRN	CKVD	CHAD
ROUYN	VAL D'OR	AMOS

These three stations command the daytime air because they offer top-rank programs and news features geared for their special listening. Mineral formations in the area (the source of this market's wealth) blanket outside transmitters and ensure a constant audience for your message.

THE NORTHERN QUEBEC BROADCASTING SYSTEM
Representatives: All-Canada Radio Facilities

WE'RE LOOKING AHEAD

We, of Northern Broadcasting Company, have had a unique responsibility. Due to the natural mineral barrier that cut off outside radio reception, listeners in the North's great mining country depend solely on us for their news, music and other entertainment. And we have given them the best.

Starting in 1932 with a 50-watt station at North Bay, our services have expanded to include three of the newest type 1000-watt transmitters broadcasting from Timmins, Kirkland Lake and another projected for North Bay.

In these war days, we are solidly behind our community and our country's effort. In 1942 alone over $40,000 in time was freely given in support of community service and other wartime endeavours.

In peacetime days to come we hope to continue to serve and grow with the North Country. We are looking ahead with confidence.

CJKL KIRKLAND LAKE
CKGB TIMMINS
CFCH NORTH BAY

NORTHERN BROADCASTING AND PUBLISHING LTD.
80 RICHMOND STREET WEST VICTORY BUILDING — TORONTO

1921 - - - 1943
22 Years of Increasing Public Service

CFCY

Eastern Canada's Pioneer Broadcasting Station Continues to set new objectives in

PUBLIC SERVICE

"The Friendly Voice of The Maritimes"

630 on Your Dial
1000 Watts in the Air

- With Recruiting Drives For All Services
- Victory Loan Drive Broadcasts
- Broadcasts and Special Transcriptions
- For Canada's Soldiers at Home and Abroad
- Red Cross Fund Promotion
- Public Health Broadcasts in Co-operation With P.E.I. Tuberculosis League
- A.R.P. Continuous Series of Instruction
- Youth Forum Emphasizing Post War Reconstruction
- Farm Forum Weekly and Special Daily Farm Broadcasts
- Bright and Entertaining Variety Programs
- To Build and Maintain Public Morale

ISLAND RADIO BROADCASTING CO. LIMITED
85 Kent Street, Charlottetown, P.E. Island
KEITH S. ROGERS, *President & Man. Director*
Representatives
Canada, All-Canada Radio Facilities Ltd.
United States, Weed & Company

Noon and Nights Prove Popular Radio Times

Nights are by far the most popular listening-in periods for Canadian radio audiences with 12 o'clock noon newscasts in second place.

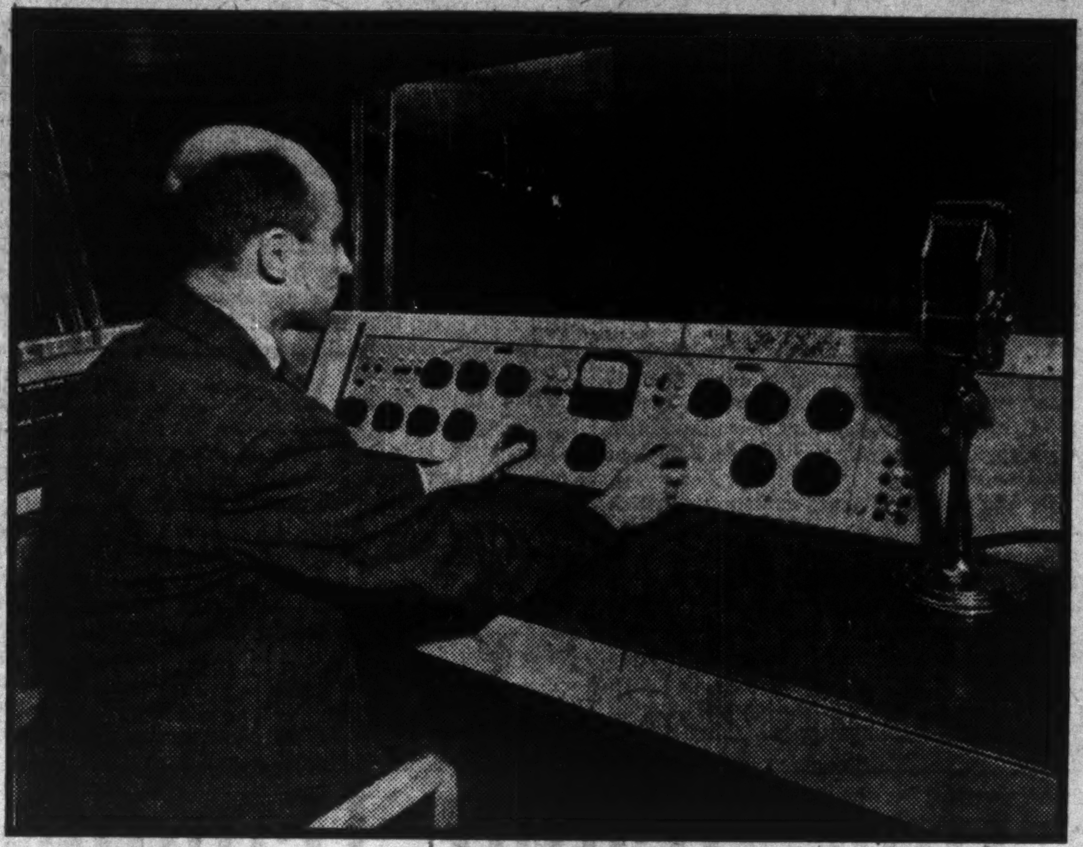
A survey of the "radio-in-use" situation from 9 a.m. to 10 p.m. shows a variation from 17.2% to 34.0% in the number of radios actually in use during the course of the day.

The low point mentioned comes right at the start of the day from 9 to 10. The percentage then rises to 22% the next hour, tapers off to 21.1% the hour before noon, then jumps to 26.9% as the noon news broadcasts come on the air. Tapering off to 17.7% between 3 p.m. and 4 p.m., interest picks up until 34% of all sets are in operation between 9 p.m. and 10 p.m.

Radio Technique

What Makes a Radio Program?

Ideas and Talent Combine For Radio Shows


The studio control room has as many knobs and buttons as the dashboard of a bombing plane. Here's a sound engineer on the job, checking to see that everything is in shape for the program before it goes on the air.

You turn a switch and flip a dial. Your favorite program reaches you through the loudspeaker. Yes, it's as easy as that.

A radio program comes out of your loudspeaker in a brilliant pageant of sound. It is natural, alive, and it always comes out on time.

It seems effortless, but a lot of effort has been used to produce it. Many people have worked for many long hours in the preparation of any one of these thousands of programs which you may hear by merely turning on your radio.

Everything must have a beginning. Radio programs are no exceptions, and like any other work of art, they must start from an idea—an idea that may originate almost anywhere.

Radio stations have on their staffs men whose jobs are to continually think up new ideas for radio programs. Advertising agencies, who sell radio programs to sponsors, also spend much time in conceiving new ideas.

Sometimes a radio idea is sold directly to a sponsor by an unknown person. That is what happened in the case of Myrt and Marge, one of the very first of what are known now as "Soap Operas." Myrtle Vail, an ordinary Chicago housewife, got an idea for a serial drama program. She went to see P. K. Wrigley and got a five year contract. From the popularity achieved by Myrt and Marge other sponsors sought similar five-a-week programs. The result? You may hear one of these shows at almost any hour of the day.

Major Bowes was manager of a radio station in New York. Many artists applied to him for jobs to appear on his station. The Major had an idea. Why not let the radio audience hear these auditions? Major Bowes was so successful with this plan that he became one of the highest-paid men to conduct a program. Seven years ago someone thought it would be fun to conduct a spelling bee on the radio. The idea not only clicked, it led to someone else trying a quiz game on the listening audience. How that idea spread like wildfire throughout the radio stations of the continent is only too well known. The next plan was to find a quiz program which was just a little bit different, and so professional "Idea Men" went to work. Information Please, Hobby Lobby, Treasure Trail, and many more, grew from this source. Each had something just a little bit different.

Truth or Consequences, The Fun Parade, and People are Funny grew from an idea that originated in children's games. Vox Pop started out as a street interview of passers-by.

So much for ideas. One never knows where they will spring up, or on what subject they will be.

Much Development

But before an idea becomes a program in reality it must go through many more phases of development. A sustaining program, one put on by a station or network without revenue, must be approved by the program department of the station. A commercial program must be given the okay of the advertising agency and the sponsor.

Once an idea is accepted it usually is turned over to a script writer to be put in shape for an actual broadcast. From the pen of this writer will come what is known as a "continuity." This contains the whole broadcast including the announcer's remarks, the dramatic portions of the program, the cues for the sound-effects and all the other things which go to make up a show which emanates from your loud-speaker in smooth, effortless fashion.

But that is not all. If music is required on the program, the musical director must be consulted. Musicians must be engaged, and various groupings of instruments tried out, to please the particular tastes of all who are connected with the presentation of the show.

When the script writer has completed his part of the program and the musical director made all arrangements for the music, then the "Idea" moves into the hands of the producer. His is the job of putting the talent together, rehearsing them, hour after hour, until they can make the show really live.

Sound effects are an important part of a program, and they can be of three types, vocal, manual, and recorded. Vocal effects are done by human voices. Manual effects consist of slamming of doors, shooting of guns, people walking, hoofbeats and such. Recorded sound effects are becoming more and more popular all the time. Almost any sound you would like to have has been recorded by companies who make that their business, anything from a baby crying to the roar of the motors of the latest type bomber.

When all the details have been ironed out and a program is pronounced ready for presentation, a dress rehearsal is scheduled. This takes place, usually, just prior to the actual broadcast time. It is during dress rehearsal that timing of numbers and acts becomes split-second. If anything needs to be changed, there remains a brief time before the broadcast.

When the show takes the air it moves along with an ease that gives the listener the feeling that it is all so easy. It is—after many hours have been spent in the planning, the rehearsing and the production of the show. And when it is all over, nothing remains but to start all over again to prepare the next show.

MONTREAL
Radio Listening Capital of America

"In Montreal a greater ratio of the population listens to radio more of the time than in any other community so far measured by recognized methods."—*Montreal Gazette*

This recent statement by Mr. C. E. Hooper of C. E. Hooper Inc., as quoted by the Montreal Gazette, February 11, 1943, tells a story—a story that applies equally well to all of French Canada.

In the Province of Québec for Whole Family Coverage

CKAC

is Away Out Ahead!

Here in French Canada—where the family unit is the core of national life—*whole family coverage* is essential. The station which enjoys an average evening rating almost twice as large as its nearest competitor is

CKAC
COLUMBIA BROADCASTING SYSTEM
MONTREAL

Representatives—Canada:
C. W. Wright, Victory Building, Toronto, Ont.
United States:
Joseph H. McGillvra

CJCB **CJCX**
1000 WATTS 1240 K.C. 1000 WATTS 6010 K.C.

SYDNEY, NOVA SCOTIA

Located in the Great Steel and Coal Fields of Eastern Canada

Serving not only Sydney, Canada's "Pittsburg of the East," but also the surrounding largest coal belt in Canada.

The greatest industrially developed section of the Maritime Provinces.

100,000 active Canadians in Sydney, Glace Bay, North Sydney, New Waterford, Sydney Mines, Dominion, Reserve, Port Morien, Donkin, Louisburg and others all within 20 mile radius of these stations.

Forty per cent of Nova Scotia's purchasing power is concentrated in this circle.

CJCB and CJCX on duty 16 hours a day since 1929.

Representatives
All Canada Radio Facilities, Toronto and Montreal
Weed & Company, New York and Chicago

Modern Transcriptions Reproduce Faithfully

Modern recording machines used to make transcriptions for radio broadcasts have reached such a peak of perfection that they furnish the listener with an almost exact reproduction of the original.

An up-to-date recording console is equipped with two turntables and cutting machines of the latest design, a high fidelity amplifier and a switching board to change the program being recorded from one cutting head to the other simultaneously and thus provide continuous cutting indefinitely.

A stabilizer prevents "flutter" or jumping on recordings. Deep cuts in the recording disk are avoided through a lowering device which allows the operator to lower the cutter on the record gently.

On the back of the cutting machine there is an automatic equalizer designed to improve the quality of the recording. A high-quality microscope mounted on an adjustable arm allows observation of the depth of the grooves being cut.

Aluminum Replaced

An acetate disk is used, this having a glass base instead of the aluminum base used before the war. The top coating is semi-hard to allow cutting. A suction pump keeps the disc free of dust and waste cuttings while another essential is to keep a constant temperature in the room, neither too warm nor too cool.

Making a record requires careful planning. Everything must be right on time while the program must be carefully rehearsed to give an accurate reading in level volume and perfectly balanced tone.

The record may be 10, 12 or 16 inch. Playing back at 78 revolutions per minute takes the 10-inch disc three minutes, the 12-inch four minutes. The 16-inch record is played back at 33⅓ revolutions per minute permitting continuous playing for a 15-minute show.

RADIO STATISTICS

If you were to drop into 100 radio-equipped Canadian homes, you would find:

27.8 with their radios on.
24 with no one at home.
The remaining 48.2 with their radios turned off.

CHNS
"The Voice of Halifax"

FOR SEVENTEEN YEARS IN THE SERVICE OF ITS COMMUNITY AND COUNTRY

SECOND TO NONE IN EQUIPMENT

- Studio Facilities
- Community Service
- Patriotic Programs
- Local Production
- Musical Facilities
- Staff on Service

in other words

A good station in a good market

REPRESENTATIVES
CANADA: All Canada Radio Facilities, Montreal & Toronto
UNITED STATES: S. Weed & Co., New York

Wm. COATES BORRETT
Managing Director

BROADCASTING HOUSE
HALIFAX NOVA SCOTIA

PLAN for the Future TODAY

CFCF
—MONTREAL—

Owned and operated by the Canadian Marconi Company

Planned and built many years before Commercial broadcasting was born, is geared to serve your present and future needs in this rich metropolitan market.

Plan Now! WHILE BUSINESS IS BOOMING

Industry's archives are full of forgotten names of honest products . . . forgotten because the public's memory is short.

REPRESENTATIVES
CANADA: All-Canada Radio Facilities, TORONTO, ONT.
U.S.A.: Weed & Company, NEW YORK, N.Y.

In The Front Line Of Service

CHSJ 1000 Watts

On The Air 17 Hours Daily

CHSJ enjoys an enviable place in the home life of thousands of faithful listeners. Since this Radio Station was established, it has become a part of the Community life in Central and Southern New Brunswick, Annapolis Valley and Western Nova Scotia, sharing in local activities and as a basic station of The Canadian Broadcasting Corporation, is rendering a Loyal Service at all times.

MODERN AND EFFICIENTLY OPERATED
COMPLETE NEW EQUIPMENT AND STUDIOS IN 1940
ALL THE LATEST DEVELOPMENTS IN RADIO

Studios, 14 Church St., Saint John, N.B.
Transmitter, Coldbrook, N.B.
Associated with The Telegraph-Journal and The Evening Times-Globe.

New Brunswick Broadcasting Co., Limited

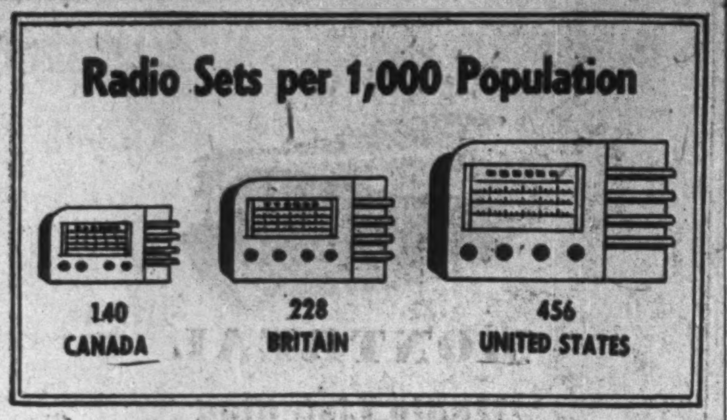


Chart by The Financial Post

Independent Canadian Broadcasting

(Continued from page 13)

offer to the public. In the long run, people of America will get what they want and the American people have a way of wanting better and better things. A multitude of real believers in democracy recognize that human beings strive to do a good job—even though at times they make mistakes and fail. They also recognize that government can tamper with free expression only to the people's peril.

"It is this confidence in gradual improvement that has led so many students of democracy to cling to the slower way, especially because they have felt that in the end it is the sure way and that the end of any other road is dictatorship and despotism."

British Contrast

In contrast to the United States where there has been a minimum of governmental intervention is the British system, where the British Broadcasting Corp. has the entire broadcasting setup for the United Kingdom hog-tied.

In the face of that monopoly British advertisers had to go to neighboring countries and broadcast their messages from there to British listeners. It is estimated that something around $10 millions a year was being spent in this way before the war. Radio Luxembourg and Radio Normandy were largely directed to British listeners.

The situation in Canada does not have an exact parallel in Britain or the United States.

We are unlike Britain due to our very size; one British program can cover the whole United Kingdom at the time it will be most effective; in Canada five time zones have to be taken into consideration. In Canada there is a two-language problem that does not prevail in Britain. Through easy access to expensive American programs there is competition for Canadian stations on a much more intensive scale than in Britain.

While radio coverage in the United States has to meet the same space problems as in Canada, the much heavier population is a highly important added factor. The distribution of population in the U. S. makes every state a desirable market for radio advertisers. In Canada there are many sparsely settled sections that represent too small a market for commercially sponsored broadcasting to go after.

From the Canadian standard then, the British system falls short because one of its prime aims is elimination of advertising from the air, and Canadian radio needs this support. Canadian radio cannot be modelled entirely on the British form due to our proximity to high-class American programs. At the same time, a purely commercial system, as that in the U. S., would leave some sections of Canada without radio coverage.

Quality First

A reasonable compromise for Canada would appear to be working out a basis whereby there would be full co-operation between government-owned and privately owned stations. The two types of station ownership are not necessarily wholly competitive. American programs that are available to listeners here set such a high standard that Canadian resources should first concentrate on the objective of quality programs. Unless our programs are up to the U. S. standard then they cannot hope to fulfill their complete function.

While the CBC may build more high-powered stations to give itself complete national coverage without the aid of privately owned outlets, such as it needs now, this policy would wreck the vital part that radio plays in community life. On the other hand, under present conditions it appears very unlikely that private stations under commercial sponsorship can give national network coverage by themselves. There would appear to be a need for a blending of the two, with each recognizing the part that the other has played in Canada's radio development and the place that each has in the present day broadcasting picture.

Independent stations pioneered radio development in Canada; their knowledge and skill have been the strong foundations for its present status; they are important sources of supply for talent and technical personnel for the networks. Independent radio stands ready to continue filling its vital function in furthering the development of Canadian broadcasting along Canadian lines.

"This was a transcribed program." Plays, talks and dramas, recorded on special discs, are played back on turntables for radio audiences. The turntables are such as to give high fidelity in sound reproduction.

Canada & Dominion Sugar Co. has only been able to secure contracts with growers for 15,700 acres of beets for this season which will only permit 75% of capacity operations at the Wallaceburg plant. W. J. McGregor, president, told shareholders at the recent annual meeting that indications are the company's Chatham plant will remain closed indefinitely. At its Montreal refinery production was 51% below 1941, partly owing to sugar rationing and in part to curtailment of western markets. As a consequence cane sugar refining costs increased.

How Radio Handles News

Far-flung Organizations Prepare Bulletins For Air

"I just heard on the radio . . ."

That phrase has been used billions of times since war's outbreak.

In 1914-18, when there were big developments at the front, people queued up in huge crowds in front of newspaper offices, scanning the bulletins in the windows.

Today radio gives them bulletins in their own homes. They hear, as they sit at their breakfast tables, about last night's raid on Berlin, the latest fighting in Russia, the announcement from 10 Downing St.

This news is gathered around the world by trained newspapermen and telephoned, radioed and wired to the news services. In the form in which it is originally written, it is suitable for newspaper publication. But, for radio purposes, it must be "processed" by expert radio writers.

Radio Technique

Most laymen don't realize that a sentence written for the eye—perfectly clear on the printed page—is likely to confuse the ear. Radio writing has its own distinct technique.

The fundamental rule is that, since the ear is slower than the eye to grasp a fact, there should not be more than one major fact in a sentence. Also, sentences must be crisp, direct, shorn of adjectives and multisyllables. And the announcer has to be considered. Give him a tongue-twisting phrase and he'll run into trouble.

Chief radio news services supplying commercial broadcasting stations in Canada are Press News Ltd., subsidiary of The Canadian Press, the co-operative news agency of Canadian daily newspapers, and the British United Press, which is affiliated with the United Press.

Press News

From high up in one of Toronto's tallest buildings, a radio news corporation not yet two years old pipes copy for the air 20 hours a day to 31 Canadian broadcasting stations.

Back in July 1, 1941, Press News Ltd. went into the business of radio news. It started with three stations. By Feb., 1942, it had established a transcontinental leased wire serving more than 20 stations. Now it serves 31 of the 57 stations in Canada buying radio news, and plans to add more clients to its list this year.

Sam Ross, 38-year-old westerner who is manager of Press News, says the rapid growth is based primarily on the fact that it is handled by radio-trained Canadians. Next to that is the fact that it has exclusive rights in Canada to the national news services of Canada and the United States (The Canadian Press and The Associated Press) and the British Empire service (Reuters).

"At the moment, there is a great demand for the news of the Canadian fighting forces overseas," says Ross. "We give a lot of play to the cables from Canadian Press war correspondent. Ross Munro put them on the map with his terrific story on Dieppe—we made an actuality of it—and his topline stuff from North Africa.

"But the other CP war correspondents are in great demand on the air. Right now, all our clients are getting set for the big invasion story and we've told them CP men are ready. CP called its London Bureau chief back in January to rough out the plans and sent its assistant general manager overseas in February to make them complete.

Front Line Reporters

"There will be five CP war correspondents with the Army when it strikes—and one assigned solely to Canadians in the air force. Two extra men were added to the London Bureau staff to help carry the load."

With the invasion in the offing, the value of other components of Press News service are somewhat overshadowed, Ross says, despite the fact that they contribute in a major way to the wordage carried. For instance, the Ottawa parliamentary report occupies a major share of radio-bulletin space but people seem to think of nothing but war."

Besides laying down the complete news service, Press News took other steps to meet radio's need. Daily it sends to stations a war analysis. Weekly it sends a War Review and a review of Canadian news of the week. Daily it clears two sport commentaries, two women's features and commentaries on farm news, oddities in the news and from stage, screen and radio personalities and productions. Such features meet station requirements in good programing.

British United Press

British United Press combines with United Press to form one of the largest and most far-reaching news services in the world.

Clients receiving news direct from the B.U.P.-U.P. number 2,014.

The dispatches of this news service reach every country outside the Axis. This includes all the Americas, Britain and the entire British Commonwealth, Iceland, Sweden, Switzerland, Finland, Iraq, Iran, Palestine, Turkey, Egypt, Portugal, Russia and Free China.

The United Press was founded in 1907 to provide an independent source of world news. Its expansion has been continuous and rapid—marked in Canada by the growth of British United Press in the last 10 years.

A decade ago, B.U.P. had a bureau in Montreal. Today, it has bureaus in Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver, as well as a huge bureau in London, England. The B.U.P. "slug" today is a familiar sight to Canadians, who see it in newspapers and hear it on radio stations from coast to coast.

In the case of British United Press and United Press, the possibility of war was taken into consideration and planned for long before it happened. To guard against overcrowded or broken cables, the B.U.P. set up its own overseas wireless transmission system.

They sent R. W. Keyserlingk to Zurich, Switzerland, in 1932, to open an office and become their first bureau manager. There, Keyserlingk's assignment was to study the vast communication facilities in that spy centre of the last war and co-ordinate and utilize this vantage point of communications for a possible World War II. Today, Zurich still functions as the only neutral outlet for Central Europe.

But getting news to Canada is only one part of the job of fast transmission. The Dominion, with its thousands of miles of empty spaces, offers as serious transmission problems as do the seven seas—and frequently they are more costly to solve.

Leased Wires

B.U.P. alone has nearly 7,000 miles of leased wires to feed the teletypes of its Canadian clients.

In Canada, the wires of a news service are not used merely for the transmission of news from overseas. They must also carry Canadian news—a big and expensive part of any news agencys operations on its home front.

Although Canadian news makes up only 10 to 15% of the average Canadian newspaper or newscast, bureaus and strings of correspondents are maintained from one side of the country to the other to collect it.

Telephone Plays Major Part In Network Broadcasting

A radio hook-up, or network, is actually a web of high-quality long distance telephone lines linking together a number of broadcasting stations. For example, the network of the National Broadcasting Co. extends from Montreal to Miami and from New York to San Francisco, and one of its programs may travel as much as 3,000 miles by telephone line before it is broadcast.

The music of a symphony orchestra is picked up by a microphone in a New York City studio. It goes by wire into a near-by room where a radio engineer adjusts the sound waves to the proper degree of loudness before they enter the telephone wires. Then the telephone system takes over the job of delivering the musical package to all parts of the continent simultaneously.

Strength Revived

The electrical waves carrying the sound vibrations travel over the wires at a speed of from 20,000 to 180,000 miles a second, depending on the type of circuit. They grow slowly weaker as they travel, and so about every 50 miles the waves go through repeaters where they are amplified back to their original strength.

The variation of the volume of sound in a symphony broadcast is greater than that of an ordinary telephone conversation, because music has a much greater frequency-range than the ordinary tones of the human voice. The weaker passages must come through clearly, and the crescendos, on the other hand, must not be blasted into distorted forms.

Each morning, before a circuit is turned over to the broadcasting company, an oscillator at each terminal point along the lines is made to transmit a series of frequencies which are read at the next point on a meter. If the peak recording is the same between the terminals, then that section of the network is in good order.

If a network fails at any point, the symphony must not be prevented from reaching its far-flung destination. Quickly, the engineers will switch it to a detour circuit until the trouble is located and corrected.

EXCLUSIVE

- Only CANADIAN station serving the war-active lakehead cities making planes, ships, shells to defeat the enemy.
- Only station giving daylight reception to the Thunder Bay District.

CKPR
1000 Watts
Studios in Fort William and Port Arthur
CAB MEMBER

CJRC
WINNIPEG - MANITOBA
INFLUENCES
The Community because
IT SERVES
The Community

Because of outstanding public service programs — which not only do a valuable community job but provide mighty fine listening—CJRC holds a place of confidence in Winnipeg and its surrounding listening area. CJRC listeners are loyal listeners — as CJRC advertisers find. And at surprisingly low cost, too.

CAB MEMBER

Ask the ALL-CANADA Man
CJRC
The Community Station
630 K. C. 1000 Watts

'34 '35 '36 '37 '38 '39 '40 '41 '42 1943

Along with Sault Ste. Marie and Algoma has grown
RADIO STATION CJIC SAULT STE. MARIE ONTARIO

CJIC pioneered radio in Sault Ste. Marie and the district of Algoma in 1934. It was tough sledding in those early days . . . equipment far from perfect . . . a staff of only five people to do all the work. Yet, CJIC served the community well, steadily improving signal strength and programs.

Thus, nine years later, CJIC is the choice of this prosperous thriving district. On the air 16 hours every day . . . employing a staff of seventeen, using the last word in studio and transmitting equipment, CJIC broadcasts all the news and entertainment from near and far to the Soo and Algoma.

Through these years, CJIC has gained the confidence and goodwill of the people in their area. They turn to CJIC for entertainment and knowledge. If you would like to "pass on" a message to this more than million-dollar-a-month-payroll market, there is no better way than through their influential local radio station.

CJIC SAULT STE. MARIE, ONTARIO
P.S. — For further particulars consult our representative
JAMES L. ALEXANDER
TORONTO MONTREAL
CAB MEMBER

WINNER
of the
VARIETY 1942
Award for
"Outstanding Wartime Service"
★ ★ ★
CKOC
HAMILTON, ONTARIO
"The 'ALL-CANADA' Station"

Still playing our part in every effort on behalf of the community we have served for
21 YEARS
CAB MEMBER

1,742,631 Customers
WITHIN A RADIUS OF 37 MILES OF
ST. CATHARINES
CAB MEMBER

★ Yes, 1,742,631 of YOUR customers are located within the service radius of 37 miles of CKTB, St. Catharines, Ontario. The Department of Transport bases our license fee on this density of population.

CKTB, St. Catharines is a MUST station for every schedule — that is if you desire COVERAGE. No advertiser can afford to ignore 1,742,631 people. These people are located right in the heart of Canada's richest and most concentrated area. They all listen to their radios. A very great number of them prefer CKTB because CKTB brings them the entertainment . . . the news . . . the market reports . . . the sports . . . the speakers . . . the special events they want to hear. CKTB is definitely THEIR station! Use it to sell your merchandise and services.

COVER THE MOST CONCENTRATED AREA OF CANADA'S BUYING POWER AT MODERATE COST . . .

CKTB ST. CATHARINES, ONT.
1000 WATTS 1550 KC.

Canadian Representative: James L. Alexander, Toronto and Montreal.
U. S. Representative: Joseph Hershey McGillivra, 336 Madison Ave., New York City.

Today, as Yesterday

This Company seeks to maintain the best traditions of Trusteeship, to serve its clients faithfully and efficiently. Satisfactory service is the foundation of the large volume of trust funds under our care and management.

We Invite Consultation.

Montreal Trust Company
ESTABLISHED 1889
Montreal Trust Building, Toronto

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

Windsor's Finest
325 Fireproof Rooms
Spacious Sample Rooms
Cafeteria and English Grill
RATES
From $2.00
P. D. NORTON
Pres. and Mgr.
HOTEL NORTON PALMER

When in MONTREAL

MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.

The Windsor is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND
PRESIDENT

Listen--The World is Speaking...

WHEN the Press News teletype hums in the newsrooms of thirty-one* radio stations across Canada, the world is telling its story.

The story never stops.

Only Press News brings to the microphone the Canadian Press service, unsurpassed as an up-to-the-second continuity of destiny in making.

Here is what Press News puts on the air exclusively in Canada:

AP—the cream of the world-wide Associated Press service of the United States;

Reuters—the cream of the world and Empire service of the British agency;

CP—the cream of the Canadian Press service, gathered co-operatively by the newspapers of Canada—plus the product of Canadian-manned bureaux at London (staff of 10 Canadians), New York (staff of seven Canadians), Washington (staff of one Canadian).

* * *

NO OTHER SERVICE gives Canadian radio stations any one of these news reports, each supreme in its field. No other service has had a war correspondent with the Canadian Army since the 1st Division landed in Britain in December, 1939. No other service has a man assigned to the Royal Canadian Air Force and to Canadians in the Royal Air Force.

* * *

RADIO STATIONS in Canada with these three exclusives — AP, Reuters, CP — and other independent services to meet special needs — are in a pre-eminent position to give their listeners the message when the world is speaking . . . and that is all the time.

Press News Limited
44 Victoria Street Toronto

*31-and more coming

Company Reports

Can. Ingersoll-Rand

Canadian Ingersoll-Rand Co. reports revenues in 1942 on much the same basis as in 1941, but owing to an increase in tax provision, net profits declined from $5.03 to $4.33 a share.

The balance sheet shows a slight increase in net working capital, with inventories, accounts receivable and investments higher than a year ago. Cash, on the other hand, recorded a moderate decline.

Income, Surplus—Years Ended Dec. 31	1942	1941
Gross income	$2,133,292	$2,177,480
Less: Exec. salaries	88,661	84,075
Depreciation	388,775	269,638
Inventory deprec.	......	145,000
Tax provision	*831,153	720,000
Net profit	824,723	958,767
Less: Dividends	761,600	809,200
Surplus	63,123	149,567
Previous surplus	3,067,435	2,917,868
Add: Trans from res.	50,000	......
Surplus forward	3,180,558	3,067,435
*Refundable portion $51,153 included.		
Earned per Share	$4.33	$5.03
Working capital	$3,521,461	$3,505,749
Balance Sheet Changes		
Inventories	$2,461,862	$2,263,826
Accts. receivable	1,413,010	1,089,302
Investments	1,296,122	921,226
Cash	357,476	710,497

International Loan

Collections of International Loan Co., Winnipeg, totalled $183,542 in the year ended Dec. 31, 1942, a substantial increase over the previous year, according to the report of B. McKenzie Gunn, president. Mr. Gunn points out that the increase was made in spite of the fact that more than 91,000 bushels of grain assigned to the company could not be delivered and are still held by farmers for delivery when quotas and elevator space permit.

Of the $142,056 invested in loans during the year, $10,200 consisted of government bonds and $131,856 mortgages. Of the latter, almost all were on city homes, since these were felt to be more profitable.

Income, Surplus—Years Ended Dec. 31	1942	1941
Gross income	$44,946	$43,326
Less: Oper. expenses	22,315	21,810
Operating profit	22,631	21,516
Add: Prems. on shares	4,278	4,150
Profit, forfeited shs.	4,087	24,279
Total income	30,996	49,945
Less: Income tax	418	69
Commissions	1,116	2,207
Collection exps.	2,012	1,462
Real estate adjusts.	19,653	16,204
Sundry write-offs	427	845
Depreciation	670	1,024
Conting. reserve	......	50,000
Net profit	6,700	*21,866
Less: Dividends	13,856	14,043
Deficit on year	7,156	35,909
Add: Prev. surplus	28,936	64,845
Less: Prior year tax	627	......
Surplus forward	21,153	28,936
*Deficit.		
Earns. Paid-up Capital	0.7%	....
Paid	1.4%	1.5%
Working capital	$36,253	$28,273

Canadian Canners

Production of Canadian Canners, Ltd., Hamilton, was somewhat less for the year ended Feb. 28, 1943 than in 1941, according to W. R. Drynan, president. Crop conditions proved unfavorable, but shipments increased over those of previous years and demand was far in excess of capacity to supply.

The company manufactures dehydrated as well as canned goods, but Mr. Drynan states that according to expert opinion the future of canned foods is today more firmly established than ever before.

Export trade was above that of 1941 in the year, but still below normal. Almost no shipments were made to Britain. It is planned in 1943 to produce to capacity allowable under weather and labor conditions.

Prices to the public are still at 1941 levels, Mr. Drynan notes, while production costs have increased heavily. A large turnover in the year enabled the company to make a favorable showing.

The refundable portion of excess profits tax, amounting to $200,000, was considered a deferred item, and not included in the profit and loss statement as a credit.

The serial 3% first mortgage bonds are now paid off, Mr. Drynan states. On May 1 $150,000 was paid into the sinking fund on account of the 4% first mortgage bonds.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$970,166	$1,226,410
Less: Interest	97,700	103,100
Net profit	872,466	1,123,310
Less: Pref divds.	229,050	229,050
Conv. pref. divds.	285,357	290,752
Common divds.	68,892	68,892
Surplus for year	289,167	534,616
Add: Prev. surplus	915,116	800,500
Less: Tsf. to reserve	......	250,000
Pref. redemption	170,000	170,000
Earned surplus forw'd	1,034,283	915,116
Earned per share:		
1st pref.	$4.57	$5.86
Paid	1.20	1.20
Conv. pref.	1.92	2.59
Paid	0.80	0.80
Common*	2.09	3.84
Paid	0.50	0.50
*After allowing for full participation rights.		
Working capital	$6,800,815	$6,551,132
Balance Sheet Changes		
Cash	$1,252,388	$849,006
Investments	500,000	500,000
Accts. receivable	1,323,219	2,383,804
Inventories	6,108,692	6,145,172
Funded debt	2,420,000	2,600,000
Fixed assets	14,443,638	14,128,712
Deprec. reserve	8,395,288	7,902,956

Maritime Electric

Current assets of Maritime Electric Co., Ltd., were $191,770 at Dec. 31, 1942, according to the report for the year, compared with $159,291 previously. Accounts payable were up from $18,249 to $24,926, and the reserve for contingencies was $25,465 as against $20,953 in 1941. The company serves a number of municipalities in Prince Edward Island and New Brunswick.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$635,764	$611,974
Less: Expenses	401,629	400,764
Total earnings	234,135	211,210
Less: Depreciation	59,733	58,371
Interest	62,678	63,926
Income, E. P. tax	*70,703	43,563
Other interest	1,155	915
Bond premium	220	45
Net profit	39,846	44,391
Less: Dividends	21,000	21,000
Surplus for year	18,646	23,391
Add: Previous surplus	100,002	76,611
Surplus forward	118,648	100,002
*Includes refundable portion of E. P. tax, $6,220.		
Earned per share	$11.27	$12.68
Paid	6.00	6.00
Working capital	$79,646	$33,895
Balance Sheet Changes		
Investments	*$79,000	$10,000
Funded debt	1,335,000	1,341,500
Fixed assets	2,077,228	2,055,272
*Includes $29,000 company's bonds held for sinking fund.		

Canadian Cottons

Decline of $1.2 million in dollar sales value finds reflection in Canadian Cottons Ltd.'s statement for the year ended March 31, 1943, shows a moderate reduction in earnings. Net profits after all charges were equivalent to $12.72 a share on the common stock, as against $14.30 the year before.

The balance sheet shows a strengthening of working capital, with cash and investments higher, and accounts receivable and inventories lower.

In his report to shareholders, R. G. Tolmie, president, stated that during the coming year, ceiling prices on goods to the civilian trade will be below cost of production, and the company will be compelled to avail itself of the subsidy granted by the Wartime Prices and Trade Board to cover such cases.

Income, Surplus—Years Ended Mar. 31	1943	1942
Total earnings	$3,017,702	$3,409,024
Less: Exec. remun.	49,565	49,540
Directors' fees	7,950	7,925
Legal fees	796	1,489
Depreciation	302,821	606,414
Inc. & E. P. taxes	*1,960,547	2,100,000
Cont. reserve	100,000	......
Pension fund	50,000	50,000
Net profit	546,023	593,656
Less: Pref. divds.	200,436	205,250
Com. divds.	162,930	102,930
Surp. for year	182,657	225,476
Add: Pre. surp.	2,236,861	2,070,788
Less: Prem. shs. red.	......	59,404
Earn. surp. fwd.	2,419,518	2,236,860
*Refundable portion $219,316.		
Earned on com.	$12.72	$14.30
Working capital	$7,420,439	$7,070,014
Balance Sheet Changes		
Cash	$1,285,672	$ 452,305
Investments	5,175,287	5,433,532
Accts. rec.	966,530	1,314,104
Inventories	2,147,848	3,152,416

Tuckett Tobacco

Tuckett Tobacco Co., controlled by Imperial Tobacco Co. of Canada, reports higher gross and net profits for the year ended March 31, 1943. Balance sheet shows working capital down to $2.2 millions from $3 millions at March 31, 1942, due chiefly to reduced inventories and heavier liabilities to creditors and for income taxes.

Income, Surplus—Years Ended Mar. 31	1943	1942
Oper. profit*	$877,422	$486,731
Add: Other income	121,031	128,759
Total earnings	998,453	615,490
Less inc. & E. P. tax	†541,559	221,497
Net profit	456,894	393,993
Less: Pref. divds.	140,000	140,000
Com. divds.	225,000	225,000
Surplus for year	91,894	28,993
Add: Previous surplus	2,586,638	2,542,755
Tax adjustment	......	14,890
Earn. surp. fwd.	2,678,532	2,586,638
†Includes refund. E. P. T. of $50,856.		
*After deducting:		
Exec. salaries	$38,661	$35,748
Directors' fees	980	1,053
Legal exps.	722	149
Depreciation	57,485	56,345
Earned per share:		
Preferred	$22.84	$19.70
Paid	7.00	7.00
Common	12.87	10.16
Paid	9.00	9.00
Working capital	$2,210,552	$3,033,642

Waterloo Manufacturing

Waterloo Manufacturing Co. has wiped out a bank debt which amounted to $384,467 at Dec. 31, 1941, and operations to date in 1943 are considerably ahead of those of the corresponding period of 1942, A. T. Thom, president and general manager reports. The company has substantial orders on hand which will maintain operations for most of 1943.

The auditors report that the company's standard profit has not yet been determined. Along with necessary audits of war contracts this makes exact calculation of taxes and profits impossible although what is thought to be adequate provision has been made.

Cons. Income, Surplus Years Ended Dec. 31	1942	1941
Oper. profit	$227,213	$120,400
Less: Exec. remun.	16,300	16,300
Legal fees	328	1,898
Depreciation	73,002	47,107
Inc. & E.P. taxes	55,500	20,500
Bad debt res.	......	6,042
Net prof. & surp.	82,085	28,555
Add: Tax adjust.	383	426
Prof. on assets	2,037	......
Less: Prev. deficit	59,304	74,464
Loss on assets	......	13,821
War contr. rebate	18,000	......
Earn. surp. fwd.	7,221	*59,304
*Deficit.		
Earned per Share:		
Preferred	$2.73	$0.65
No divds. paid; arrears $1.20 at Jan. 1, 1943.		
Common	1.92	0.32
Working capital	$136,687	$52,659

Hedley Mascot

Although exploration was sharply curtailed due to the labor shortage, Hedley Mascot Gold Mines in 1942 maintained its ore reserve position closely after treating 66,088 tons of ore or within 2,000 tons of 1941.

Ore reserves at Dec. 31, 1942, totalled 190,000 tons, 10,000 tons less than a year previous.

As arsenic is turned out by the company, a P-56 priority has been secured, the same as for base metal mines. This will allow equipment to be secured and is expected to permit employment of further labor.

Sufficient men are at present available for a small amount of development work. It is planned to proceed with the deep level adit projected some time ago.

Income and Surplus—Years ended Dec. 31	1942	1941
Production revenue	$766,985	$834,469
Less: Mining & milling	407,849	465,585
Marketing	84,207	71,828
Admin. expense	20,647	18,572
Operat. earnings	254,282	278,484
Add: Other income	1,934	1,552
Total net income	256,216	280,036
Less: Depreciation	80,358	82,494
Income tax, etc.	59,776	62,108
Canty ore expense	......	11,746
Net profit	116,082	123,688
Less: Dividends	181,130	181,130
Deficit for year	65,048	57,442
Add: Prev. surplus	374,075	431,517
Surplus forward	309,027	374,075
Earned per share	$0.05	$0.05
Paid	0.08	0.08
No. of shs. outstanding	2,264,130	2,264,130
Working capital	$309,842	$278,852

Coniagas Mines

With the prospect that investment income will be further curtailed in 1943, Coniagas Mines has decided to discontinue dividends for the time being to conserve assets for further development of mining properties. Profit was higher in 1942 but part was of a non-recurring character.

Break-up value of the shares at Dec. 31, 1942, was slightly over $2 a share but somewhat below the figure of a year previous. During 1942 a $81,399 profit was realized on disposals of securities.

Shareholdings at Dec. 31, 1942, included 437,700 shares Coniaurum Mines, 49,099 shares of Desjardin Mines, 707,063 shares of Kenora Nickel Mines and 910,042 shares of Sturgeon River Gold Mines.

A number of claims were staked in 1942 and other claims of merit were kept in good standing.

Income and Surplus—Years Ended Dec. 31	1942	1941
Interest & divids.	$82,100	$102,311
Profit on securities	81,399	19,237
Misc. income	1,280	1,846
Total revenue	164,779	123,394
Less: Oper expense	50,471	61,653
Profit for year	114,308	61,741
Less: Dividends	71,941	125,897
Surplus for year	42,367	64,156
Add: Prev. surplus	1,484,815	1,548,975
Less: Adjustment	5	6
Surplus forward	1,527,177	1,484,815
Earnings per share	$0.159	$0.09
Paid	......	$.17½
No. of shs. outstanding	719,409	719,409
Working capital*	$1,668,286	$1,732,962
*Including listed securities at market value.		

God's Lake

A sharp increase in working capital and acquisition of several interesting new properties offsets in part the news in God's Lake Gold Mines 1942 report that ore at the main mine is near exhaustion with operations on a salvage basis.

New interests comprise an option on the Northern Tin property; an option on a copper prospect on Hyers Island in Oxford Lake (with diamond drilling now under way); and an option on a tin prospect in the Red Sucker Lake area, northern Manitoba.

Ore reserves at the end of 1942 totalled 30,000 tons. If no new find is made at the mine equipment and plant will be dismantled next winter.

Income and Surplus—Years Ended December 31	1942	1941
Bullion shipments	$630,628	$845,358
Less: Oper. costs	430,220	470,552
Outside explor.	5,360	6,718
Claim taxes, etc.	807	807
Shaft shut-down	9,089	......
Operat. profit	185,152	367,281
Add: Other revenue	45,985	38,705
Net earnings	231,137	405,986
Less: Depreciation	239,720	240,560
Development w/o	76,008	23,390
Shaft sinking w/o	145,700	145,806
Net loss	230,291	3,770
Add: Prev. deficit	36,622	32,852
Development (shaft)	160,589	......
Jowsey Island w/o	46,873	......
Deficit forward	474,375	36,622
No. of shs. outstanding	3,500,000	3,500,000
Working capital*	$957,620	$523,358
*Including shares at market value.		

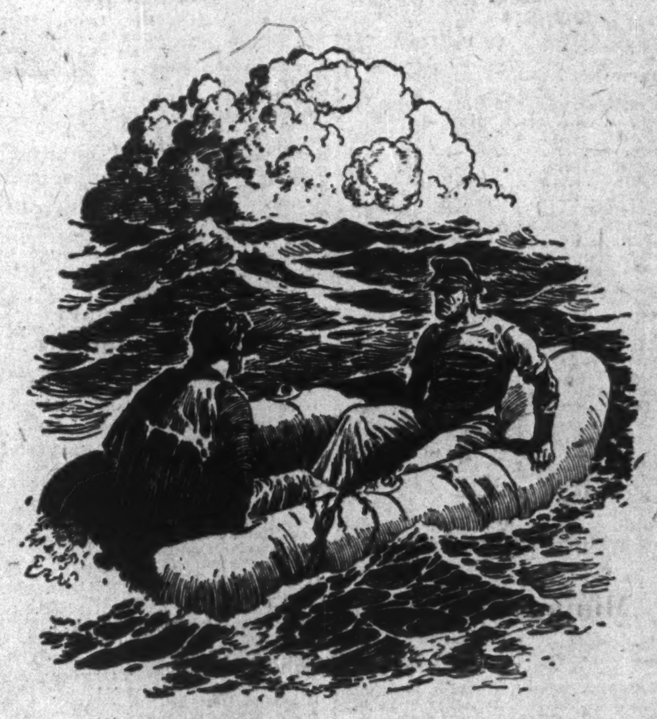
Sturgeon River

While the manpower shortage caused suspension of production late in 1942, Sturgeon River Gold Mines increased working capital by over $20,000 to $321,017 or 12 cents a share in 1942 after paying $54,995 in dividends.

Net profit was $31,762 after all charges.

The shaft was deepened from 1,780 to 2,108 ft. during the year with new levels established at 1,915 and 2,080 ft. Crosscutting on these bottom levels opened up "M" vein and No. 3 vein as well as a new vein at 2,080-ft. level known as No. 11. Veins were stated to be normal in appearance with some visible gold.

Loose Talk can cost Lives!



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MADE IN CANADA

JOHN B. STETSON COMPANY (CANADA) LIMITED

Canadian Cottons, Limited

Annual Report for Year Ended March 31st, 1943

To the Shareholders:

Your Directors submit herewith the Balance Sheet of the Company as at 31st March, 1943, together with a Statement of Profit and Loss for the year which ended on that date.

Net profits, including income from investments of $185,135.61 and after providing for income and excess profits taxes and for other customary charges, amount to $596,023.50. This has been appropriated as follows:—

Pension Fund	$ 50,000.00
6% Dividend on Preferred Stock	200,436.00
4% Dividend on Common Stock	108,620.00
2% Bonus on Common Stock	54,310.00
	413,366.00
Balance transferred to Surplus	182,657.50
	$596,023.50

Under Section 6-1(b) of the Excess Profits Tax Act companies are permitted to reduce inventory prices for taxation purposes to the September, 1939 level on the amount of inventory in hand of the same date. Your Company has, therefore, taken advantage of this provision and has not paid excess profits tax which would otherwise have accrued. Depending on incalculable conditions at the time of settlement, taxes may be exigible on the full amount of the reduction, partially so or not at all. The possible tax has reached such an important sum that your Directors have deemed it wise to set up a liability sufficient to meet the maximum obligation.

A shortage for civilian requirements is developing in yarns and woven fabrics of all kinds in spite of record production. Roughly about 65% of the current capacity of the cotton mills of Canada is required for essential industrial and war purposes. This civilian shortage will be cumulative. Consequently the extent of it will be determined by the length of the war. Also it is a condition that is common to all countries, hence it seems certain that when peace comes there will be a large demand for textiles, to satisfy which will likely require heavy capital expenditures.

During these war years with plants on an all-out production basis, wear and tear—in other words, depreciation—is taking place at a rate greater than replacement expenditures. This must obviously be so, for industry is limited to the barest replacement necessities both because of domestic Government regulations and the impossibility of securing imported equipment. An adequate post-war programme, therefore, must make up for the lack of proper replacement in war years, as well as its then current needs. This, generally speaking, is going to require large sums of money which may seriously tax liquid resources. Heavy as the tax load must be, it would be a profound disaster if industry were not left with enough working capital to meet the difficult post-war demands imposed on it. Your Company will undoubtedly have to draw on its pre-war liquidity to meet its post-war programme.

It is worth noting that buildings and equipment are depreciating assets, the latter at a much more rapid rate than the former. There comes a point, if there is not sufficient replacement, when excess wear and tear begins to have a cumulatively slowing effect on capacity of production. This may yet prove to be a serious handicap with many industries unless there is an early termination of the war. Its possibility should not be overlooked as a vital factor in our national economy.

Reference was made a year ago to the acute shortage of labour and the difficulty of maintaining an even flow of production. Conditions this year have been more difficult in this respect, although for the whole twelve months' period the production of goods and employee hours were almost identical with a year ago, yet the breakdown of the figures into two six months' periods shows a marked tendency to decreased production for the second six months against the same number of employee hours. This latter undoubtedly is due to an increased rate of labour turn-over, the lowest productive capacity of new employees until efficiently trained, and to absenteeism.

The dollar sales value showed a decrease of $1,200,000, due in part to ceiling prices being in effect for the whole year, as against four months only in the year preceding—and in part because all surplus manufactured inventory having been previously liquidated, sales for this last year were on a basis of current production only.

Your Company has been working for the whole year under jurisdiction of the Wartime Prices and Trade Board, of which the "ceiling price" regulation is the most tangible achievement in the public eye. Yet that is only one of many economic war measures effected by that Board and affecting your Company. The cutting down of the number of styles and patterns has contributed importantly to the maintenance of production already referred to. The total number of styles of piece goods fabrics has been reduced by 60%.

The amount set aside for depreciation for the year is $302,820.98, as against $606,413.76 a year ago. Certain of your Company's assets are now fully depreciated and no more depreciation may be set up against them. This account will jump up sharply again after the war when large deferred and current replacements are made.

During the coming year ceiling prices of goods to the civilian trade will be below cost of production and your Company will be compelled to avail itself of the subsidy which was referred to in the annual report of last year as then being under negotiation. While the subsidy agreement does not guarantee a profit, nevertheless, no subsidy will be paid to the Company beyond the point which would make it liable to the 100% taxation rate under the Excess Profits Tax Act. Thus your Company will have a limit on its profits for the coming year of 116⅔% of its pre-war standard profit without any protection against possible loss, which your Directors do not, however, anticipate.

The relations with the employees during this past year have been co-operative and cordial. However, absenteeism and labour turn-over have exacted a grievous toll both in production and efficiency. Everyone wishes, in the interests of the war effort, that they could be reduced to the unavoidable minimum. They are problems that can only be solved by collective consideration and action. Your Directors wish to extend their warmest appreciation to that large body of employees, both plant and office, who, day after day, are expending their full energies in the service of the Company during these most difficult and trying times.

A plan of holidays-with-pay has been mutually agreed upon between your Company and employees which should prove to be of great benefit not only to the employees but also to the general social and economic welfare of the localities where your mills are situated.

The books and accounts of the Company have been duly audited and the Auditors' report is submitted herewith.

Submitted on behalf of the Board of Directors.

E. C. FOX, Chairman.
R. G. TOLMIE, President.

Balance Sheet as at 31st March, 1943

ASSETS

CURRENT:		
Cash on hand and in Banks		$ 1,285,671.94
Accounts Receivable—less Reserve for Doubtful Accounts		966,530.89
Inventories of Raw Cotton (including Cotton purchased but not delivered), Goods in Process, Manufactured Stock and Supplies, as determined and certified by the management, and valued in each case at cost or under and not in excess of present market values		2,147,848.14
Investments—		
Dominion and Provincial Government Bonds and Corporation Bonds and Shares—at cost (Market Value as at 31st March, 1943—$5,313,331.00)		5,175,287.65
TOTAL CURRENT ASSETS		9,575,338.62
SHARES IN SUBSIDIARY COMPANIES		3.00
DEFERRED CHARGES TO OPERATIONS		91,970.64
REFUNDABLE PORTION OF EXCESS PROFITS TAX		219,136.19
CAPITAL ASSETS:		
Mills, Plants and Properties—at cost—		
Balance as at 1st April, 1942	$18,610,821.71	
Additions for year	227,446.69	
		18,838,268.40
		$28,724,716.85

NOTE: In computing the amount set aside for Dominion Taxes, consideration has been given to the provision of the Excess Profits Tax Act, allowing Reserves against future depreciation in inventory values.

Montreal, 21st April, 1943.

Audited and verified as per Certificate attached.
RITCHIE, BROWN & CO.,
Chartered Accountants.

LIABILITIES

CURRENT:		
Accounts and Bills Payable		$ 341,147.46
Cotton Acceptances		429,302.00
Due to Subsidiary Company		199,407.93
Contribution to Pension Fund		50,000.00
Reserve for Income and Excess Profits Taxes	$2,218,882.56	
Less: Payments on Account	1,083,840.00	
		1,135,042.56
TOTAL CURRENT LIABILITIES		2,154,899.95
CONTINGENT RESERVE		505,600.95
DEPRECIATION RESERVE		17,369,461.58
REFUNDABLE PORTION OF EXCESS PROFITS TAX		219,136.19
CAPITAL STOCK:		
Authorized—		
Preferred—6% Non-Cumulative 41,791 shares Par Value $100.00 each	$4,179,100.00	
Common—35,000 shares Par Value $100.00 each	3,500,000.00	
	$7,679,100.00	
Issued and fully paid—		
Preferred—33,406 shares at $100.00 each	3,340,600.00	
Common—27,155 shares at $100.00 each	2,715,500.00	
		6,056,100.00
EARNED SURPLUS—Per Statement attached		2,419,518.18
		$28,724,716.85

Signed on behalf of the Board:
R. G. TOLMIE, Director.
W. V. BOYD, Director.

Profit and Loss Account for the Year Ended 31st March, 1943

Operating Profit for year including Investment Income of $185,135.61, after providing for Items A, B, C, D, E, F, as below noted		$ 596,023.59
Deduct: Contribution to Pension Fund		50,000.00
NET INCOME FOR PERIOD		546,023.59
Deduct:		
Dividends—Preferred 6%	$200,436.00	
Common—Ordinary 4%	108,620.00	
Bonus 2%	54,310.00	
		363,366.00
SURPLUS FOR YEAR		$182,657.59
A. Depreciation	$ 302,820.98	
B. Executive Salaries	49,565.00	
C. Directors' Fees	7,950.00	
D. Provision for Taxes	1,960,546.67	
E. Legal Fees	796.40	
F. Contingencies	100,000.00	

Earned Surplus Account

Balance at Credit as at 1st April, 1942	$2,236,860.59
Add: Surplus for year as above	182,657.59
BALANCE AT CREDIT—31st MARCH, 1943	$2,419,518.18

TO THE SHAREHOLDERS,
CANADIAN COTTONS, LIMITED.

We have examined the books and accounts of Canadian Cottons, Limited, for the year ended 31st March, 1943. We have verified the Cash in Banks and the Investment Securities and the Revenue therefrom.

We have obtained all the information and explanations required, and in our opinion the attached Balance Sheet and Profit and Loss Account, based upon certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at 31st March, 1943, and for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

RITCHIE, BROWN & CO.,
Chartered Accountants.

Montreal, 21st April, 1943.

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MAY 17

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

May 17, 1943

%	Due	Bid	Ask.
2½	June 1943	100	..
5	Oct. 1943	101½	102
2	June 1944	100½	101½
1½	Sept. 1944	99¾	100½
a2½	Jan. 1944	99¾	100½
4½	Oct. 1944	104	105
2½	Nov. 1944	101½	102½
a2½	Aug. 1945	100½	101½
4	Oct. 1945	100¾	101½
2	Mar. 1945	100½	101½
2	Dec. 1946	99¾	100¾
4½	Feb. 1946	106¾	107¾
2½	Mar. 1948	99½	100½
1½	May 1948	99½	100½
a2½	Jan. 1948	101½	102½
3½	June 1949	102¾	103½
3½	Oct. 1949	102½	103½
a3	June 1951	101¾	102½
3½	Nov. 1951	102¾	103¾
3½	Feb. 1952	103¼	104½
4	Oct. 1952	106½	107½
3	Oct. 1952	100¼	101½
a3	Jan. 1953	103¼	104½
3	June 1955	99½	100½
a3	Nov. 1956	99½	100½
4½	Nov. 1956	106¾	107½
4½	Nov. 1957	107½	108½
a3	Mar. 1954	100½	101½
a3	Jan. 1958	102½	103½
3	June 1953	99½	100½
4½	Nov. 1958	108½	109½
4½	Nov. 1959	109½	110½
a4	Oct. 1960	108½	109½
a3½	Jan. 1961	103½	104½
3½	June 1966	101½	102½
a3e	Jan. 1967	101	102
a3e	Nov. 1968	101	102
†3	Perpetual	94	95

Dominion Guarant'd Bonds

Can. Nat'l Railways:

%	Due	Bid	Ask.
2½	Jan. 1946	100½	101½
3	May 1944	101½	102½
3	Dec. 1950	100½	101½
3	Jan. 1959	99	100
*4½	Sept. 1951	121½	123½
*4½	Feb. 1956	124½	126½
4½	July 1957	124¾	126½

%	Due	Bid	Ask.
3	Feb. 1953	99½	100½
4½	June 1955	126½	127½
5	Feb. 1954	117	118½
*5e	July 1969	118½	119½
*5e	Oct. 1969	126	127½
*5e	Feb. 1970	126	127½
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	127½	129
Grand Trunk Pacific Rly.:			
3	Jan. 1962	107½	108½

Provincial Gov't Bonds

%	Due	Bid	Ask.
New Brunswick:			
3	Oct. 1951	97½	99½
3½	Aug. 1949	97½	99½
3½	June 1956	99½	101½
c4	Nov. 1947	111½	113½
c4½	Nov. 1961	113½	115½
c5	Jan. 1960	117½	119½
Nova Scotia:			
3	Jan. 1952	98½	100½
3½	June 1956	99½	101½
3½	Nov. 1950	101½	103½
c4½	Sept. 1952	115	117
c4½	Nov. 1960	118½	120½
c5	Mar. 1960	123	125
Ontario:			
2½	May 1945	100½	102½
3	Apr. 1943	100	101½
3	Nov. 1950	98½	101½
3½	Nov. 1951	100½	102½
3½	May 1955	100½	102½
4	June 1962	117½	120½
4½	June 1950	108½	110½
4½	June 1962	123½	126½
*4½	Jan. 1962	109½	111
5	Oct. 1948	128½	130½
*5	Dec. 1960	107½	109
*5½	July 1946		
Ont. Hydro Commission:			
3	Aug. 1948	100	102
3½	Feb. 1953	100½	102½
3½	Apr. 1947	102½	104½
Prince Edward Island:			
4	Mar. 1954	101½	103½
Quebec:			
3	Nov. 1947	99½	101
3½	Mar. 1948	100	101½

%	Due	Bid	Ask.
3½	Mar. 1960	99½	101½
4	Nov. 1952	103½	105
3½	Feb. 1955	101½	103
4½	Aug. 1958	106½	108½
4½	Jan. 1963	110½	112½
Alberta:			
4½	Oct. 1956	84½	87½
4	Dec. 1954	77½	80½
*5	Oct. 1950	85½	88½
c5½	Apr. 1952	88½	90½
6	Mar. 1947	81½	84½
British Columbia:			
4	Dec. 1957	112½	114
*4½	Jan. 1951	115½	117½
c4½	Oct. 1953	115½	117½
c5	Apr. 1954	119½	121½
5½	Feb. 1945	104½	104½
6	Feb. 1947	108½	110½
Manitoba:			
c4	Dec. 1957	106½	108½
c4½	Dec. 1956	112	114½
*5	Dec. 1959	115	117½
5½	Oct. 1955	112½	113½
6	Apr. 1947	106½	109
Saskatchewan:			
4	Sept. 1954	88½	90½
4	Nov. 1960	85½	88½
c4½	Oct. 1951	97½	100½
c4½	Mar. 1960	94½	97½
5	Aug. 1958	96½	99½
5½	Oct. 1952	97½	102½
6	Mar. 1952	98½	101½

*-Payable Can., N.Y., £. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. §-Calculated to 1950 average maturity. a-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 18, 1943

	Bid	Ask.
Industrial:		
Acme Farm., pf.	75	80
Andian National	19	22
Anglo C. Tel., A	7½	8½
Atlas Steels, c.	20	23
Do., pref.	105	108
B. C. Pulp, c.	4½	11½
Do., pfd.	65	..
Barrymore Cl., p.	45	..
B. C. Sugar	75	..
B. C. Tel., p.	112½	..
Brown, com.	1½	2½
Do., 6% pfd.	33	38
Burns & Co., A	7½	..
Do., B	4½	5½
Canada Tea, p.	28½	..
Can. Indust., A	151	156
Can. Mach., c.	7	9½
Can. Ing. Rand	62½	66
Can. Mot. L.A.B.	8½	..
Cap. W. Cloth	5	..
Do., pref.	17	19
Col. Realty	3½	..
Chase, A. W., p.	16	18½
Colonial Steam.	70	75
Copeland F. un.	15	17
Corr. Box, c.	3½	..
Dover Ind.	7	8½
Dunlop T. p. $25	22	25
Fed. Grain, com.	2½	..
Do., pref.	73	..
Galt Brass, c.	10	12
Goderich Elev.	9½	10½
Guard. Realty, p.	17	20
Guelph Carpet, c.	13	16
Gurney Fdy., p.	1½	2½
Hart Battery	5½	..
Hayes Steel, c.	13½	15
High. Dairy, pf.		45
Inglis, John	6½	7½
Ingram & Bell, p.	88	..
Kingst. Ship., c.	12	..
Loblaw Inc., c.	11	12½
Minn. & Ont. p. c.	6½	7
Mt. Royal Htl. c.	2½	4
M'row Screw, p.	100	103½
Do., com.	14	16
Moirs, pfd.	15½	..
Morrison Br. un.	6	8
Neilson, Wm., c.	10	..
Do., p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	15	17½
Prov. Paper, p.	98	102
River. Silk., B	2½	..
Stand. Fuel, p.	51½	54
Stedman, pf. $50	54½	57½
Sutton Horsley	1	1½
Tor. Carpet, c.	67	..
Do., pref.	67½	72½
Un. Steel, A. pf.	23	24½
Viceroy Mfg., c.	12½	..
Do., pref.	21	23
West. Grain, un.	20	22½
Trust & Loan Stocks:		
British Mtge.	115	126
Brockville Tr.	43	..
Capital Trust	23	..
Comm. Fin., c.	7½	..
Grey B. Tr. $50	44	..
Guaranty Trust	100	103
Guelph & O. $50	46	52½
Indust. Mtge.	..	28
Lambton Loan	34	..
Lond. & W. Trust	34	37½
Midland Loan	14	16
Premier Trust	29	..
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	32½	..
Victoria Trust	65	..
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	51	53
Canada Life	330	340
Canadian Fire	73	78½
Confed. 30% pd.	130	140
Continental L.	27	30
Crown Life	250	270
Dominion Fire	134½	138
D. of Can. Gen.	125	..
Dom. Life	175	200
Empire, 25% pd.	6	7½
Excelsior 40% pd.	71½	78
Great-West Life	235	..
Halifax Fire	13	14½
Imperial Life	247½	275
Manufac. Life	220	230
Monarch Life	33½	36½
National Life	8	10
Sov. L. 25% pd.	12½	..
Sun Life	315	340
Tor. General	4½	6
Western Assce.	38	41
Do., pref.	41	44
Western Life	12	14½
Investment Trust Shares:		
Inv. Found. un.	41	..
Sec's. Hold., pf.	17	..
Th. Can. Inv. Th.	1½	..
Theatre Stocks:		
Allen's St. Cath. units	63	..
Do., Kingston	65½	..
Do., Toronto, p.	36½	..
Mansf. Theat., p.	61	..
Para. Kitch., p.	50	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	83	..
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	103	..
Gt. Lakes Pr., p.	102	106
Int. Util. $1.75 p.	16	..
Do., $3.50 p.	40	..
Mtl. Isl. Pwr. p.	44	..

Unlisted Mines

Toronto, May 17, 1943

	Bid	Ask
Algo Cop	.22	.25
Adnaron	.34	.37
Albany R (new)	.07	.09
Amal Kirk	.08	.09
Arno	.01½	.02½
Arjon	.19½	.21
Area	.19½	.21
Athona	.03	..
Bayshore	.24½	.27
Arntfield	.00¾	.01½
Bar Lard	.04½	.05
Brengold	..	.01½
Brock	.06½	.07½
Clift Con	.43	.48
Can Rad	.03	..
Cen Mani	.02½	.03
Cheminis	.04½	.06
Columbier	.24	.26
Con Chib	.05	.06½
De Santis (new)	.06	.08
Dona Pat	.01½	.02½
Edena	.03½	.06
Eastward	.08	.09
Gunflint	.25	.27
Goodrock	.09	.10
Hayes Cad	.01½	.01½
Harp Maj	.11	.13
Hoyle new	.10	.12
Hugh P P	.05	.07
Laguerre	.09	.10
Lk Geneva	.06	.08
Largold	.21	.23
Magn Con	.33	.35
Metalore	.25	.28
Mid Iron	.42	.47
Majormic	.50½	.54
Mart Bird	.06½	.07½
Mata Con	.13	.16
Banca	.41	.43
Calder Bo	.06	.07
Conti Tin	.15	.17
Moosewoo	.13½	.14½
McMarma	.11	.13
Moffatt H (new)	.03½	..
Mosher	.10	.12
McManus	.01	.03
Nat Mala	.20	.22
Naybob	.01½	.02
Nick Off	1.00	1.10
Norbeau	.22	.23
North Tin	.10½	.11
Oklend	.03	.04
O'L Malar	.04½	.05½
Opemiska	.06	.08
Orpit	.03½	.04½
Pascalis	.21	.23
Pelangio	.12	.13
Pontiac R (old)	.11	.13
Pt Coldw	.31	.35
Propriet	5.60	5.75
Presdor	.03	.03½
Que Mani	.23	.25
Rand Mal	.13	.14
Rebair	.40	.44
Ritoria	.02½	.03½
S.A.G.A.	.10	.15
Rhyolite	.02	.03
Rou D'Or	.10	.12
Sheldon	.11½	.13
Springer	.20	.22
Stadacona	.11	..
Tombill	.09	.10
Tom Iron	.62	.68
Thoms L	.10	.12
Un Mining	.06½	.07½
Uchi	.01	.02
Wesley	.02	.02½
Y Davids	.20	.24
Vic Ore	.29	.31
Electra	.10	.12
Ivan Lard	.11½	.14
Ana'maq'	.10	.12
[illegible]	HM	HM

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 18	20,300	9,200	340,000	......
May 17	9,400	8,400	253,000	......
May 15	7,900	1,400	125,000	7,950
May 14	22,700	5,200	277,000	7,180
May 13	18,900	10,000	303,000	11,125
May 12	19,700	9,000	329,000	9,450

Weekly Bank Clearings

	May 13 1943 $	Change Year Ago %	May 6 1943 $
Halifax	5,352,206	+44.4	6,408,879
Saint John	3,510,240	+32.2	3,624,272
Moncton	1,037,314	+10.8	1,390,976
Sherbrooke	1,138,456	—4.9	1,196,768
Quebec	6,031,416	+53.9	6,940,892
Montreal	150,953,237	+52.1	225,797,693
Ottawa	183,712,238	+5.0	142,038,568
Kingston	834,391	+10.3	972,473
Peterborough	906,696	+13.8	1,122,575
Toronto	138,707,458	+13.9	215,858,329
Hamilton	6,748,592	—6.8	8,233,616
St. Catharines	1,472,129	+17.4	1,556,241
Sudbury	1,089,880	—8.3	985,392
Windsor	4,303,376	+24.8	4,490,892
Kitchener	1,441,662	+2.8	1,482,257
Brantford	1,305,158	+7.5	1,668,981
London	3,998,904	+35.9	3,487,402
Chatham	769,298	+20.0	801,827
Sarnia	718,824	+49.9	879,683
Fort William	966,881	+6.1	1,342,222
Winnipeg	89,895,694	+112.3	75,998,364
Brandon	511,216	+37.5	670,284
Regina	6,541,081	+67.6	10,717,327
Moose Jaw	862,613	+26.0	944,940
Saskatoon	2,249,265	+32.4	2,251,992
Prince Albert	634,064	+22.7	655,655
Edmonton	8,182,487	+34.9	9,161,653
Calgary	8,307,377	+38.0	9,222,859
Lethbridge	907,176	+44.6	883,006
Medicine Hat	441,231	+49.3	508,518
N. W'minster	912,711	+10.3	872,426
Vancouver	27,291,260	+29.6	32,731,171
Victoria	2,106,933	+16.7	2,267,420

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.71	$11.70	$10.79
Hogs	16.81	16.81	15.21
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2173	.2202	.2114
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.98¼	.98¾	.79¼
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.7	103.5	96.9
Dow Jones (fut.)	90.88	91.47	86.96
Wood, Gundy	80.5	80.4	77.0
Fishers	111.8	103.4	103.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Apr.)	117.6	117.2	115.9
W'sale (Mar.)	98.5	97.5	95.0
U. S. (Feb.)	102.5	101.9	96.7
Gt. Brit (Feb.)	161.7	161.9	158.5

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Significant Investors' Index Numbers

(Base 1935-39=100)

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.3	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.2
Feb.	94.0	75.8	83.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
1943: Weekly Figures:												
Apr. 1	99.5	78.2	89.0	69.1	119.1	84.1	122.3	87.4	92.5	80.8	96.9	74.3
Apr. 8	101.3	79.4	90.1	68.8	121.6	85.5	127.7	88.5	92.5	80.7	99.7	82.9
Apr. 15	101.0	78.2	95.2	67.7	120.9	86.9	127.3	91.2	97.0	80.9	102.0	82.5
Apr. 22	101.5	78.4	94.9	68.2	120.9	88.9	129.1	89.4	98.1	81.0	103.0	83.2
Apr. 29	99.2	82.4	92.9	65.9	120.8	88.2	128.8	88.8	95.5	80.9	100.7	81.8
May 6	101.7	89.2	91.5	67.9	119.2	89.8	129.6	91.8	98.3	80.5	105.4	83.9
May 13	101.6	85.9	89.8	66.6	119.6	89.1	125.8	90.0	99.6	80.1	105.1	82.8

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 18	113.74	82.22	72.26	23.42
May 17	113.28	81.94	72.20	23.37
May 15	113.05	82.24	72.38	23.29
May 14	112.85	82.15	72.43	23.30
May 13	113.71	82.50	72.96	23.25
May 2	113.96	83.16	73.09	23.21
Month ago	112.24	83.51	72.68	22.87
Year ago	83.31	65.17	63.58	16.11
High 1943	114.41	87.04	73.98	23.91
Low 1943	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
May 18	57.9	74.6	69.0	94.08	60.02
May 17	57.9	74.1	68.7	93.19	59.87
May 15	57.9	74.3	68.8	93.08	59.73
May 14	57.6	74.5	68.8	93.24	59.90
May 13	58.2	74.5	69.1	93.91	60.16
May 12	58.3	74.6	69.2	94.95	60.07
Month ago	57.1	74.5	68.7	83.78	64.32
Year ago	40.3	56.2	50.9	57.57	40.11
High 1943	58.4	75.2	69.4	99.17	66.68
Low 1943	51.8	63.4	59.5	74.07	49.18

OIL ROYALTIES

Producing Wells — Prices and Payments

*Approximately 25% over dealers' bid prices.
§Approximate.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete., pfd.	8,546	*$4,375
Major Oil No. 6 pfd.	8,022	4,200
Major Oil No. 6 gr.	8,022	6,500
Empire pfd. (Ont.)†	....	*1,100
Phillips Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.06	3.35
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.00	..
Corp. Investors	6.00	6.45
Trans-Canada, ex-div.	10.50	11.50

Public Utility Earnings

Southern Canada Power Co.

April	1943	1942
Gross earnings	$272,726	$274,727
Less: Oper. exps.	83,405	81,576
Tax provision	68,793	61,418
Int., depr., divs.	117,311	117,279
Surplus	3,217	14,457
7 Months Ended April		
Gross earnings	$1,874,261	$1,880,775
Less: Oper. exps.	386,212	379,534
Tax provision	456,283	411,497
Int., depr., divs.	818,032	826,743
Surplus	13,734	[illegible]

Annual Meetings

May 24—Minn. & Ont. Paper . Minneapolis
May 24—Walkerville Brewery . Walkerville
May 25—Associated Tel. .... Wilmington
May 27—Canada Machinery .... Galt
May 27—Canadian Cottons ...... Montreal
May 28—Nipissing Mines .... Toronto
May 31—Inter City Baking ...... Montreal
May 31—Tuckett Tobacco .... Hamilton
May 31—Ventures Ltd. .... Toronto
May 31—Western Grain* .... Winnipeg
June 15—Western Grain & Co. Niagara Falls
June 21—T. G. Bright & Co. .. Montreal
July 14—Ritz-Carlton Hotel*. .

* Bondholders.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Un. Gr. Gr. (C)	4½%	1949	July 2	102
Do., (A)	5%	1948	July 2	101
Shawinigan W.	*4%	1961	Oct. 1	103
Mtl. L.H.Pr.†	3½%	1956	June 1	102½
Windsor Arms	6½%	1947	June 1	102
Nan-Dun. Utl. A	5½%	1964	July 2	104
Gatineau Pr.	‡5%	1949	June 2	101
*$2,224,000.	†$174,000.		‡$3,150,000.	
Stock issues:				
Assoc. Brew. §500 shs.	§7%	Pref.	May 29	110

Municipal Bonds

May 17, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	118.00	119.00	3.58
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	112.75	116.75	3.62
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver	5	1970	108.00	111.00	4.21
Winnipeg	5	1944	100.00	102.25	1.96

†Payable Can. & N.Y. *Flat.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, pf.	1.75	July 2	May 31
Aunor Gold	.04	June 1	May 7
Algoma Steel, pf.	2.50	July 1	June 1
Aluminium	2	July 5	May 14
Do., pref.	†1.50	June 1	May 7
Assoc. Brew.	.25	June 30	May 31
Do., pref.	1.75	July 1	May 31
Ang. Can. Tel. A	.15	June 1	May 10
Anglo Huronian	.10	July 22	June 15
Asbestos Corp.	.20	June 30	June 1
Do., bonus	.10	June 30	June 1
Bk. of Nova Scotia	2.50	July 1	June 15
Bank of Montreal	1.50	June 1	Apr. 30
Bank of Toronto	2.50	June 1	May 15
Bathurst Pr. & P., A	.25	June 1	Apr. 30
Belding Corticelli	1	July 1	May 31
Do., pref.	1.75	July 1	May 31
Berens River Mines	•.03	June 10	May 7
Bk. Can. Nationale	1.50	June 1	May 15
Borden's	†.30	June 1	May 15
Barber Ellis	.12½	June 15	May 31
Beattie Gold	.04	June 30	May 12
Bright T. G., pfd.	1.50	June 15	May 31
Brazilian Tr.	.75	June 15	Apr. 27
Broulan Porc.	•.03	May 31	Apr. 30
Bruck S. Mills	■.10	June 15	May 14
Buff. Ankerite G.	.05	June 17	June 3
Can. Dom. Sugar	.20	June 1	May 15
Can. Fd. & Fg. A	.37½	June 15	June 1
Canada Vinegars	.10	June 1	May 15
Canada Dry	†.15	June 9	May 26
Can. Wire & C. (A)	1.00	June 15	May 31
Do. (B)	.25	June 15	May 31
Do., pref.	1.62½	June 15	May 31
Can. Fairbanks, com.	.25	June 1	May 15
Can. Marconi	.04	June 1	Apr. 15
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. For. Invest., pf.	■2	July 1	June 1
Canada Malting	.50	June 15	May 15
Can. Ind. Alcohol A B	.10	June 1	May 3
Can. for. Invest., pf.	■2	July 1	June 1
Can. Int. Inv. Tr., p.	.50	June 1	May 10
Can. Malartic Gold	.02	June 30	May 6
Can. Bakeries, pfd.	1.25	June 1	Apr. 30
Can. Nor. Power	■.15	July 26	June 19
Do., pref.	■1.75	July 15	June 19
Can. Breweries, pf.	.85	July 1	May 15
Can. Crushed Stone	.10	June 15	June 1
Can. Westinghouse	■.50	July 1	June 16
Cockshutt Plow	.25	June 1	May 15
Consumers Glass	.50	May 31	Apr. 30
Cochenour Willans	.03	June 1	May 10
Crow's Nest Coal	■1.50	June 2	May 8
Command Oils	.03	June 7	May 15
Coniaurum Mines	.06	June 30	May 12
Cent. Pat. Gold	.03	June 30	May 31
Col. Steamships	■2.50	June 12	May 25
Crown Trust	1	June 30	June 23
Deb. & Secs., pfd.	2.50	July 1	June 15
Delnite Mines	•.03	May 31	May 13
Distillers-Seag.	.55½	June 15	June 1
Do., pref.	†1.25	Aug. 2	July 15
Dom. Anglo Invest.	4	June 1	May 14
Do., pref.	1.25	June 1	May 14
Dome Mines	■.40	July 30	June 30
Dom. Bridge	.30	May 25	Apr. 30
Dom. Found. pfd.	1.50	June 1	May 10
Dom. Found., c.	.25+.10	July 2	June 10
Dom. Scot. Invest., p.	■1	June 1	Apr. 30
Dominion Stores	.10	June 19	May 24
East. Steel Prod.	.25	June 1	May 14
English Electric A	.25	June 15	May 31
Fleet Aircraft	■1.25	June 15	May 15
Falconbridge N.	.07½	June 30	May 4
Ford Motor, A, B	.25	June 19	May 29
Fanny Farmer	†.37½	July 1	June 10
Gen. Stl. Wares, p.	1.75	May 24	May 7
Do., particip.	.38	May 24	May 7
Granby Cons. M.	†■.15	June 1	May 14
Gt. Lks Pap. A, B, p.	.25	July 2	June 2
Hard Rock Gold	.03	June 31	May 25
Hallnor Mines	.10	June 1	May 7
Hiram Walker	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Home Oil	•■.15	June 15	May 10
Honey Dew	.50	July 1	June 15
Hudson Bay M.	1	June 28	May 28
Inter. Nickel, c.	■.50	June 30	June 1
Island Mount'n G.M.	•.05	May 25	Apr. 23
Imperial Tob. ord.	.10	June 30	May 28
Imperial Varnish	.12½	June 1	May 20
Do., pref.	.37½	June 1	May 20
Imperial Oil	.25	June 1	May 17
Intern. Petroleum	.50	June 1	May 19
Lamaque G. M.	.10+.05	June 1	Apr. 30
Lang, J. A.	.17½	July 2	June 10
Langley's pref.	■.50	Jun. 11	Jun 3
Do.	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Loblaw Groc. Inc.	.25	June 1	May 14
Laura Secord	■.20	June 1	Apr. 30
Loblaw Groc., A, B	.25	June 1	Apr. 30
Do., extra	.12½	June 1	Apr. 30
Lake of W. Mill.	.30	June 1	May 3
Do., pref.	1.75	June 1	May 3
Lake Shore Mines	.20	June 15	May 15
Maclaren Pwr.	.25	May 31	May 15
McK. Red Lake G.	.03	June 17	June 1
Montreal Cottons	1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Model Oils	.02	June 19	May 22
Montreal Loan	.31¼	June 15	May 31
National Grocers	■.40	July 1	June 1
Do., pref.	.37½	July 1	June 1
Northwest Util., pf.	1.50	June 1	May 26
Nan-Dun. Util., p.	.81¼	June 1	May 15
Neilson, Wm., p.	1.75	May 31	May 17
Noranda Mines	1	June 15	May 14
N. S. Light & Pr., pf.	1.50	June 1	May 15
Ottawa L. H. & Pr.	.15	July 1	May 10
Do., pref.	1.25	July 1	May 10
Ogilvie Flour	.25	July 1	May 28
Do., pref.	1.75	June 1	Apr. 30
Ont. Steel Prod.	.25	Aug. 16	July 16
Do., pref.	1.75	Aug. 16	July 16
Ottawa El. Rly.	.50	July 1	June 1
Paton Mfg.	•1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Pickle Crow	.05	June 30	May 31
Placer Devel.	.25	June 15	May 21
Prov. Bank	1.25	June 1	May 15
Pato Cons. G.	.15	May 31	May 12
Power Corp.	■.15	June 30	June 10
Do., pref.	■1.50	July 15	June 19
Do., 2nd pref.	■.75	July 15	June 19
Quebec Power	.25	May 25	Apr. 19
Rolland Paper, pf.	1.50	June 1	May 15
Regent Knit, pfd.	.40	June 1	May 1
Do.	.40	Sept. 1	Aug. 2
Do.	.40	Dec. 1	Nov. 2
Royal Bank	1.50	June 1	Apr. 30
Reno Gold	•.07	May 31	May 15
Reliance Grain, p.	1.62½	June 15	May 31
Royalite Oil	.50	June 1	May 15
Sec. Std. Royalties, p.	.01	June 1	May 14
Sigma Mines	■.30	July 28	June 28
Shawinigan W.	.22	May 25	Apr. 19
Sherritt Gordon	.03	June 30	May 14
Sherwin-Wms. pf.	1.75	July 2	June 10
Simpsons Ltd.	▲2.00	June 15	May 15
Siscoe Gold	.01½	June 15	May 12
South Can. Pwr.	■.20	Aug. 16	July 20
Do., pref.	■1.50	July 15	June 19
Stuart, D. A., Oil, pf.	.20	June 1	May 15
Sylvanite Gold	.03	July 15	May 25
Stedman Bros.	.15	July 1	June 20
Do., pref.	.75	July 1	June 20
Securities Holding, p.	.75	June 30	June 16
Teck-Hughes	■.10	June 1	Apr. 30
Toburn Gold	.01	May 22	Apr. 22
Tor. Elevators, pfd.	.66	June 7	May 17
Unit. Amuse.	.40	May 31	May 15
United Steel	§.10	June 1	May 15
Do., extra	.05	June 1	May 15
Upper Can. Mines	•.02½	May 29	May 15
Wabasso Cotton	1	July 1	June 1
Wr. Hargreaves	.07½	July 2	May 27
West. Can. Hydro, p.	.20	June 1	May 20
Do. (B)	.05	June 1	May 20
Waite Amulet	.15	June 10	May 10
Wilsil	.25	July 1	June 1
H. Walker-Good.	1	June 15	May 14
Do., pref.	.25	June 15	May 14

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. ▲On arrears. •Interim. §Initial. •Capital distribution.

DIVIDEND NOTICES

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that an Interim Dividend (No. 153) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Wednesday, the 30th day of June, 1943, to shareholders of record at the close of business on Friday, the 28th day of May, 1943.

By Order of the Board,
A. L. ROBERTSON,
Secretary.

Montreal, P.Q.
14th May, 1943.

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 51.

TAKE NOTICE that a regular quarterly Dividend of 3% (i.e., three cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 51.

Such Dividend will be payable July 15th, 1943, to Shareholders of record at the close of business May 25th, 1943.

In the case of Share Warrants such Dividend will be payable on or after July 15th, 1943, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 51 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board,
W. S. WALTON,
Secretary.

Toronto, May 14th, 1943.

DIVIDEND NOTICES

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of one and a half per cent (1½%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of May, 1943. This dividend, bearing the number 209, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of June, to the shareholders of record on May 15th, at noon.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 26

Notice is hereby given that a quarterly dividend amounting to three cents per share for the second quarter of 1943, has been declared payable June 17th, 1943, to shareholders of Record at the close of business June 1st, 1943.

By order of the Board.
H. M. ANDERSON,
Secretary-Treasurer.

Toronto, Ontario, May 10th, 1943.

DIVIDEND NOTICE

English Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of twenty-five cents (25c) per share on the outstanding Class "A" shares of the Company, payable June 15th, 1943, to shareholders of record at the close of business on May 31st, 1943.

AUBREY MUNDY,
Secretary.

May 13th, 1943.

Royalite Oil Company, Limited

NOTICE OF DIVIDEND NUMBER THIRTY

NOTICE is hereby given that a regular Dividend of Fifty Cents per share has been declared payable to shareholders of the Company of record as such on the books of the Company, at the close of business on Saturday, the 15th day of May, 1943, and that the said Dividend will be payable on or after Tuesday, the 1st day of June, 1943.

THE Register of Transfers will be closed from the close of business on Saturday, the 15th day of May, 1943 until the opening of business on Monday, the 24th day of May, 1943.

By Order of the Board,
R. D. MERCER,
Secretary.

CALGARY, Alberta,
12th day of May, 1943.

IMPERIAL OIL LIMITED

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a semi-annual dividend of 25c per share in Canadian currency, has been declared, and that the same will be payable on or after the 1st day of June, 1943, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 59 at:

THE ROYAL BANK OF CANADA
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 17th day of May, 1943, and whose shares are represented by Registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 31st day of May, 1943.

The Transfer books will be closed from the 18th day of May to the 31st day of May, 1943, inclusive and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income tax returns. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States Banks, they can be secured from the Company's office or The Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire and China is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an authorized dealer, i.e., a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the Amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Streets, Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the Country in which they reside.

By order of the Board,
W. J. WHITLING,
Secretary.

56 Church Street, Toronto, Canada.
12th May, 1943.

DIVIDEND NOTICES

Hard Rock Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 8
(Interim)

NOTICE IS HEREBY GIVEN that an interim dividend of Three Per Cent. (i.e., 3c per share) on the outstanding Capital Stock of the Company has been declared payable June 21st, 1943, to Shareholders of record at the close of business May 25th, 1943.

By Order of the Board.
W. S. WALTON,
Secretary.

May 13th, 1943.

PICKLE CROW

GOLD MINES LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 28

Notice is hereby given that a dividend of Five Cents (5c) per share in Canadian funds has been declared, payable on Wednesday, June 30th, 1943, to shareholders of the company of record at the close of business on Monday, May 31st, 1943.

By Order of the Board
ROBERT FENNELL, K.C.,
Treasurer

Toronto, Ont., May 13, 1943.

Securities Holding Corporation Limited

NOTICE

Notice is hereby given that an Interim Disbursement of Seventy-Five Cents per share has been declared upon the Preferred shares of the Company, payable on the 30th day of June, 1943, to shareholders of record at the close of business on the 16th day of June, 1943.

By order of the Board.
F. T. LARGE,
Secretary.

Toronto, May 12, 1943.

Anglo-Huronian Limited

DIVIDEND NO. 12

NOTICE IS HEREBY GIVEN that a dividend of Ten Cents (10c) per share, in Canadian Funds, on the issued capital stock of the Company has been declared payable July 22nd, 1943, to shareholders of record at the close of business June 15th, 1943.

J. INGRAM,
Secretary-Treasurer.

Toronto, May 13th, 1943.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

6% Cumulative Participating Preferred Stock

No. 94, quarterly, $1.50 per share, payable July 15th, 1943, to holders of record at the close of business June 19th, 1943.

No Par Value Common Stock

No. 73, quarterly, 20c. per share, payable August 16th, 1943, to holders of record at the close of business July 20th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, April 30th, 1943.

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 50c per share in Canadian Currency, has been declared, and that the same will be payable on or after the 1st day of June, 1943, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 59 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 19th day of May, 1943, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 31st day of May, 1943.

The transfer books will be closed from the 20th day of May, to the 1st day of June, 1943, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire and China is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an Authorized Dealer i.e. a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted, may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Street Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By order of the Board,
J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
12th May, 1943.

Raise Wheat Delivery Quotas

Maximum Raised to 15 Bushels Per Authorized Acre

From Our Own Correspondent

WINNIPEG. — The maximum delivery quota for wheat during the current crop year has been increased by the Canadian Wheat Board to 15 bushels per authorized acre.

Although the total authorized acreage for wheat in western Canada is approximately 20 million acres, the maximum quota formerly in effect, 14 bushels per acre, would not yield the 280 million bushels which the government has undertaken to allow farmers to dispose of from the crop of 1942.

Possibly 20,000 farmers, either did not have any wheat crop in 1942, or else did not desire to dispose of it, perhaps because crops were short on account of hail, or perhaps because they intend to feed all the wheat produced last year.

The actual wheat acreage seeded in 1942 was approximately 20 million, or very close to that authorized. There is no necessary coincidence between the two.

The authorized acreage for each farmer, subject to adjustments in certain cases, was put at 65% of the acreage seeded in 1940. Some farmers chose to put in more, others less.

In 1943 the authorized acreage for each farmer, except for adjustments such as are caused by transfers of land or similar reasons, will be the same as for the 1942 crop. Probably most farmers will put in less than the authorized acreage, because of having carried over wheat that they will not be able to dispose of during the current crop year.

Their deliveries will be based on the authorized acreage, regardless of the area actually seeded.

Whether it will be possible for every farmer who wishes, to dispose of 15 bushels per authorized acre during the current crop year, is still a matter of doubt. To make enough room at country elevator points for such deliveries it will be necessary for the railways to move grain forward more rapidly than has been the case during recent weeks.

At the majority of elevator points individual quotas have been up to 14 bushels per acre, and already the 15 bushel quota has gone into effect at a considerable number of points.

There is a large area, however, where it has not yet been possible to advance quotas beyond 12 bushels per acre, and there are many points at which it is not yet possible for farmers to find room for the full quotas as authorized.

Total wheat deliveries so far made by farmers fall short of 200 million bushels, which means that more than 80 million bushels have yet to be delivered to fill the quotas.

Ottawa Food Experts Not Too Pessimistic

By STAFF WRITER

OTTAWA. — Despite depressing production news on the cheese and egg fronts, guardians of the nation's food supplies are not yet overly pessimistic about present prospects for 1943.

Most recent and prophetic harbinger of food shortages to come has been the alarming slump in egg production. It is admitted that on the basis of present offerings Canada is falling considerably short of her 1943 contract to supply 9,000 tons of egg powder to Britain this year. However, it is believed that the hue and cry is to considerable extent premature since much of the decline was due to very bad weather conditions in February and March. April production was ahead of last year.

Cut Egg Ration

Last week the egg ration to armed forces, which had been doubled some months ago, was cut back by one third. The reduction is said to be temporary until July 1. Now service men will get only nine eggs a week. They had been getting 12, and only six prior to reduction in their meat ration.

Agricultural experts contend that it is not the farmer or the hen that is at fault in this picture. Apart from bad weather conditions, which probably have retarded offerings by about six weeks, the upsetting factor has been a much greater-than-anticipated rise in domestic egg consumption. Instead of an increase of 15% the rise has been nearer 30%, it is claimed.

With meat rationing and meatless days there is little chance that this demand will diminish, but until the over-all supply situation becomes clearer, food experts refused to become unduly alarmed.

Similarly with cheese, although recent production figures are very discouraging and show sharp percentage declines from corresponding months of 1942, the main cheese producing season does not get started until May with at least 75% of normal output coming in June, July, August and September. Since butter subsidies have been revised downward in recent weeks it is hoped that the relation between butter and cheese has been brought into better balance and that the poor early start in cheese will not be sustained.

In certain fruits, which suffered critically from winter-kill, the 1943 prospects are poor. For one of the most important fruits for jam-making purposes — strawberries — the comparative production figure of a year ago was very small and it is hoped to exceed the 1942 total. Figures of farmer intentions to plant released this week by the Bureau of Statistics are considered very encouraging for most types of feed grains, etc.

DIVIDEND NOTICES

LANGLEY'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 50c per share on the Seven per cent Preference shares of the company, which was declared by the Board of Directors at a meeting held on February 5th, 1943, will be paid on June 11th, 1943, to shareholders of record at the close of business on June 3rd, 1943.

By order of the Board.
P. G. SHAY,
Secretary-Treasurer.

Toronto, May 18th, 1943.

NOTICE

Western Grain Company Limited

A meeting of the holders of First Mortgage Series "A" Bonds, Western Grain Company Limited, has been called for June 15th, 1943, at the Office of the Trustee, Montreal Trust Company, Winnipeg.

Forms giving details of the Plan of Reorganization and forms for depositing of bearer bonds and appointment of proxy and registered bond proxy are available at the offices of Montreal Trust Company in the cities of Montreal, Toronto, Winnipeg, Edmonton, Vancouver, Halifax and St. John's, Newfoundland.

Bondholders are urgently requested to arrange for the deposit of their bonds at once to save the expense of and delays occasioned by an adjourned meeting.

Western Grain Company Limited

Central Patricia Gold Mines, Limited

DIVIDEND NO. 28

A dividend of 3c. per share has been declared by the Directors on the capital stock of the company, payable the 30th day of June, 1943, to shareholders of record at the close of business on the 31st day of May, 1943.

Dated at Toronto this 15th day of May, 1943.

By order of the Board,
ALAN COCKERAM,
Secretary-Treasurer.

The Week in Business

Volume of production in Canada is still rising, April figures of The Financial Post's production index show. Trends are mixed, however, with many divisions showing less than normal seasonal gains. The dairy industry has had outstanding gains, with greater than normal increase in factory cheese output and in creamery butter, even after allowing for seasonal adjustment.

Probably significant from the standpoint of future civilian business are the reduced inventories in hands of wholesalers, reflecting continued high retail sales and curtailed output at the factories.

Retail sales in March averaged 5% higher than a year ago and 16% higher than in February this year. This 5% gain in dollar value was on a par with average gain this year to date.

Wholesale sales in Canada averaged 12% higher in dollar volume in March this year than a year ago. Greatest increase was seen in western Canada. Dollar value of inventories held by wholesalers for all lines was down 10%, following a decline in each of the two previous months. Decreases ranged from 4% for hardware to 24% for footwear.

Bank deposits index for April at 163.8 was 17.0% above the same month last year and compares with 151.7 for March.

Cement production for February was down 22,000 bbls. at 277,766 bbls. Cumulative total for the first two months this year is 1.8% lower than last year.

Hog sales in April continued to decline and were down 100,000 head at 531,813. For the first four months this year the total is 3.1% lower. Cattle marketings in April were higher than in the corresponding month of 1942 but cumulative total this year is 12.5% lower.

Coal production from Canadian mines in March totalled 1.7 million tons against 1.6 million tons in the same month of 1942. For the first quarter there is a drop of almost 500,000 tons, or 9%.

	Apr.	Mar.	Feb.	Jan.	Year Ago
■Financial Post Production Index	256.5	252.4	252.0	250.0	208.1
‡National income D.B.S. (c)	....	725	700	693	583
■Dom. war expend. (million $)	136.9	....	190.6	185.0	135.0
■Dom. total revenue (do.)	177.3	....	189.4	216.8	170.8
■Dom. total expend. (do.)	169.5	....	228.1	233.2	240.3
Dept. store sales index no.	....	164.4	154.5	147.8	154.9
■Retail sales index no.	....	167.7	163.5	158.5	161.4
■Wholesale sales index no.	....	173.6	146.2	129.9	155.4
Country store (% change pr. yr.)	....	+13.0	+16.4	+7.9	+13.8
Divd. payment index▲	122.0	122.1	122.3	123.5	121.0
■Bank deposits (1935-39=100)	163.8	151.7	150.0	137.0	140.0
Cash and cheque pay. index	....	161.9	149.2	155.3	163.1
Bank debits (1935-39=100)	....	158.7	152.1	148.3	165.2
Money supply (c)	....	4,244	4,182	4,344	3,712
NEWSPRINT % OF CAPACITY—					
■Production ratio	62.0	64.2	64.9	65.6	75.0
■Shipment ratio	65.0	64.6	65.1	60.4	64.4
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	....	175.3	155.1	169.3
Cars (D.B.S. index)	....	....	139.7	130.5	140.4
COST OF LIVING—					
D.B.S. index	117.6	117.2	116.9	117.1	115.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	181.5	181.2	183.7	165.1
Manufacturing	....	223.4	222.1	219.6	198.7
Payrolls (June 1/41=100) (b)	....	143.2	139.5	121.9	119.3
Payroll index (a) (1937=100)	....	228	214	216	191

	1943	1942	1943	1942	Change
RAILWAYS—					
■Carloadings (week May 8)	66,637	66,690	1,164,667	1,178,113	−1.1
■C.P.R. gross (week May 14) $	5,343,000	4,993,000	97,097,000	88,139,000	+10.5
C.N.R. gross rev. (Mar.) $	36,100,000	28,706,000	95,707,000	79,023,000	+20.3
C.N.R. net rev. (Mar.) $	7,884,678	6,423,448	17,480,001	15,225,000	+14.8
C.P.R. gross rev. (Mar.) $	24,041,211	20,746,457	63,283,687	57,644,344	+9.7
C.P.R. net rev. (Mar.) $	3,617,419	3,765,935	8,677,442	9,984,011	−13.1
IRON AND STEEL—March)—					
Pig iron production (tons)	160,101	167,116	414,868	474,245	−12.6
Steel production (tons)	270,962	285,903	723,556	767,340	−5.7
CONSTRUCTION—					
Contracts awarded (Apr.) $	16,047,300	22,512,100	58,161,200	64,295,600	−9.5
Building permits (Mar.)	4,934,580	6,972,481	10,890,375	17,810,943	−38.8
■Cement prod., bbls. (Feb.)	277,766	299,361	571,901	582,756	−1.8
AGRICULTURE—					
Flour prod., bbls. (Mar.)	2,193,029	1,806,854	6,146,803	4,947,683	+24.2
Cattle sales▲ (Apr.)	84,680	79,808	314,254	359,331	−12.5
■Hog sales▲ (Apr.)	531,813	631,098	2,155,323	2,226,043	−3.1
SEA FISHERIES—‡					
Catch cwts. (Mar.)	300,856	343,277	1,118,230	2,064,067	−45.8
Landed value (Mar.)	1,188,108	726,751	2,669,132	2,591,936	+2.9
NEWSPRINT—					
■Production, tons (Apr.)	229,573	227,741	931,779	1,163,581	−19.9
■Exports, tons (Apr.)	226,886	221,341	868,850	1,034,434	−16.2
MINING AND OILS—					
■Coal prod., tons (Mar.)	1,665,853	1,610,232	4,766,921	5,241,510	−9.0
Gold rec., fine oz. (Mar.)	279,282	377,109	963,137	1,164,622	−17.3
■Petroleum prod., brl. (Feb.)	779,998	846,026	1,640,788	1,721,685	−4.7
ELECTRIC POWER OUTPUT—(March)—					
Total monthly, 1,000 kw.h.'s	3,329,266	3,220,953	9,498,451	9,311,680	+2.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (Mar.)	3,185,049	2,921,536	8,623,240	8,011,567	+7.6
■Cotton consump., lb. (Apr.)	15,899,807	17,863,817	64,587,318	67,591,000	−4.4
Cigarette cons., No.† (Mar.)	1,038,975	785,808	2,872,217	2,309,278	+24.3
FINANCE—					
Bank debits† (Mar.) $	4,011,883	4,176,830	11,623,354	10,300,483	+12.8
Bond sales† (Mar.) $	378,948	1,088,280	1,113,282	1,279,470	−12.9
Life insurance sales (Mar.) $	46,730,000	35,876,000	127,570,000	118,314,000	+7.7

‡Unrevised figure, covering N.S., P.E.I., N.B., Que., B.C. ■Millions of dollars.
▲Total at yards and plants. †000 omitted. *1935-39=100. (c) 000,000's omitted.
▲Supplied by Nesbitt, Thomson & Co. (b) All industries.
(a) Compiled by Canadian Bank of Commerce.

Wheat Prices

Winnipeg Grain Futures

Week of May 17, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close May 17
		Wheat			
1.02⅝	.91¾	May	.99⅝	.97½	.98¼
1.03⅝	.95⅛	July	1.00⅝	.98⅛	.98⅞
1.04⅛	.96	Oct.	1.00⅝	.99	.99⅞
1.01⅝	.99⅝	Dec.	1.01¾	.99⅞	1.00⅝
		Oats			
.51⅛	.45⅝	May	.51⅛	.51⅛	.51⅛
.51⅛	.47⅛	July	.51⅛	.50⅜	.51⅛
.51⅛	.49⅞	Oct.	.51⅛		
		Barley			
.64¾	.62⅜	May	.64¾	.63⅜	.64¾
.64¾	.62⅜	July	.64¾	.63	.64¾
.64¾	.62⅜	Oct.	.64¾	.62¾	.64¾
		Rye			
.80⅝	.56¼	May	.78⅞	.77	.78¾
.82⅛	.65	July	.80⅝	.78	.79⅝
.82¾	.70½	Oct.	.81⅜	.79⅞	.81

Cash Quotations

	For Week May 17 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.98⅝	.97½	1.00⅜	.98⅝
2 Nor.	.95⅛	.94⅛	.97⅛	.95⅝
3 Nor.	.94⅛	.92¾	.95⅝	.93⅜
4 Nor.	.91⅛	.89⅛	.93⅛	.90⅞
5 Wheat	.86⅜	.85	.86⅞	.83¾
6 Wheat	.86⅝	.84	.87⅝	.85⅝
Oats:				
2 C.W.	.51⅛	.51⅛	.51½	.51⅛
3 C.W.	.49⅞	.48	.49⅝	.48⅞
Barley:				
1 Feed	.62⅝	.57	.61⅛	.60¼
2 Feed	.59⅝	.57⅜	.59½	.57½
Rye:				
2 C.W.	.78¾	.77	.80⅝	.78

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IV Profits Should Be Timed
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TAA of Montreal Re-elect A. P. Darcel

A. P. Darcel, advertising manager of Crane Ltd., has been re-elected president of the Technical Advertisers Ass'n. of Montreal. Other officers elected at the meeting were: G. L. Hale, vice-president; H. G. Soper, secretary; E. S. Roberts, treasurer, and directors N. B. Powter, A. Houghton, H. C. Hood, A. R. McGill and G. J. Samson. H. L. Kennedy was elected associate director representing publishers.

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Fix U. S. Newsprint Quotas

Canada to Ship 210,000 Tons a Month in 1943

By JOHN E. LANGDON

MONTREAL. — Canada has agreed to ship 210,000 tons of newsprint a month to the United States during 1943, or a total of 2,520,000 tons a year, according to Donald M. Nelson, head of the U. S. War Production Board. This represents a reduction of 300,000 tons from shipments reported in 1942 and is 250,000 tons under the 1941 figure.

Canada has also agreed to supply the United States 1,278,000 tons of pulp and 1,500,000 cords of wood, for the manufacture of paper other than newsprint, and an additional 107,000 tons of pulp to maintain U. S. book paper production at the same level in the second quarter as in the first quarter of 1943. This extra pulp will not be available in the third quarter, says Mr. Nelson, due to Canada's insufficient wood supply.

Canada's Share 74.9%

Discussing the paper situation before a Congressional enquiry committee, the head of the WPB said that North American newsprint production in the first quarter of 1943 totalled 950,747 tons, of which Canada accounted for 74.9%; Newfoundland, 4.5%, and United States, 21.6%. This output was only 77.2% of the rate during the peak period.

Because earlier reports indicated a shortage of pulpwood in Canada, WPB ordered a limitation in the use of newsprint as from last January with the objective of cutting consumption by 10%.

This order did not apply to publishers using 25 tons or less per quarter. Practically all of the 11,000 weekly newspapers and many small town dailies in the U. S. were not affected. It is estimated that 20% of the 1,750 dailies in the United States use 80% of the newsprint and the order was directed against them, although all papers have co-operated in saving newsprint.

A further cut was planned for April 1, but a re-examination of the wood situation convinced the Canadian authorities that the mills would be able to maintain production.

Newsprint's Current Status

The newsprint situation today, said Mr. Nelson, is this:

		Tons
1941 consumption		3,929,773
1943 requirements (10% under 1941 consumption)		3,536,796
From Canada	2,520,000	
From Nfld.	150,000	
From U. S.	800,000	3,470,000
Deficiency		66,796

This deficiency is not large enough to cause concern, says Mr. Nelson. For that reason no further restriction is in prospect until the fourth quarter, "unless the newspapers fail to achieve the 10% reduction in use intended by the order (L-240)."

Magazine Paper Situation

Neither will there be a further restriction in the use of paper by U. S. magazines until the fourth quarter of 1943, if the magazines live within their allotment.

Mr. Nelson reports that many magazine publishers have resorted to use of lighter grades of paper and other economies in order to make the most advantage of a curtailed supply.

Government Big User

Total requirements of all federal and non-war agencies in 1943 will approximate 1,000,000 tons, says Mr. Nelson.

Of 85 Federal agencies, 78, which include all of the large users of paper, report their 1943 requirements as follows:

	Tons
Newsprint	55,092
Groundwood paper	104,295
Book paper	68,548
Fine paper	289,628
Wrap., tissue, build., etc.	480,791
Total	998,354

The U. S. War Department (Army) accounts for something under half of this aggregate, with lend-lease requirements second, Board of Economic Warfare third, and Navy Department fourth. The U. S. Post Office is the fifth largest user of paper, the Treasury sixth, and Office of Emergency Management seventh.

Now Saving Paper

With respect to total printing paper requirements of the U. S. Government, Mr. Nelson says the aggregate figure approximates 421,021, a downward revision of 310,044 tons from the 731,065 tons submitted Feb. 5.

This reduction of 42.3% was effected after an intensive reappraisal of the supply situation by individual agencies, and the recent realization that extreme economy in paper use must be practiced.

I. P. EXECUTIVE CHANGES

With the election of R. J. Cullen to the new position of chairman of International Paper Co., John H. Hinman (left), vice-president, has been elected president. Mr. Cullen will continue to have general charge of the business and will formulate plans and policies. Mr. Hinman will be the general executive and administrative officer.

Cullen Optimistic On Paper Supply

Inter. Paper Head Says No Need to Consider Restrictions Till 1944

From Our Own Correspondent

MONTREAL. — International Paper Co. is now in a position to produce more newsprint paper in Canada for United States newspapers' use, Richard J. Cullen, president, stated, and predicted that no further change in the newsprint consumption allowance would be considered until July, 1944.

"We are now producing 65% of the normal newsprint volume in Canada," he said, "and could raise this production to 85% if necessary."

Supply into 1944

"The power, labor and transportation situation are in perfect condition to supply an undiminishing amount of newsprint to American newspapers throughout this year and well into next year.

"Authorities in Washington are considering altering the weight of fine paper to bring about a cut in the total production of writing paper, and that is the only change I see on the horizon."

Operations of the company's United States mills, principally engaged in making paper other than newsprint, are at about 90% of normal.

Net Profits Lower

Net earnings of the company for the first quarter of this year total $2,023,118, or 47 cents a common share. This compares with $2,469,895, or 72 cents a share, in the like period a year ago.

At the annual meeting, Winthrop W. Aldrich, chairman of the board of the Chase National Bank, was elected a director to succeed the late Gordon Auchincloss, while Calvin A. Agar was elected to the board to succeed Erling Riis, who resigned.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

USED BEDS, SPRINGS. WPTB order A-710, May 4, fixes maximum prices for used metal beds and springs. Adm. of Used Goods, S. Godfrey.

* * *

BEEF. WPTB order 267, April 29, extends order 252, respecting maximum beef prices, to May 26. WPTB Chm. Donald Gordon.

* * *

NEW POTATOES. Order 273, May 1, sets maximum prices for new potatoes. WPTB Chm., Donald Gordon.

* * *

CASCARA BARK. Order A-718, May 8, sets maximum price for Cascara bark at 24½ cents a pound to processor, f.o.b. collector's shipping point in British Columbia. Adm. of Chemicals, E. T. Sterne.

* * *

FLANNELETTE GARMENTS. Order A-716, May 8, restricts manufacture of flannelette garments. Adm. of Women's, Misses and Children's Wear, J. A. Klein.

* * *

VALVES. WPTB order A-715, restricts manufacture of gate, globe, angle, check and cross valves made of iron, brass or bronze. Adm. of Plumbing, Heating and Ventilating Equipment, E. J. Laidlaw.

Newsprint Box Score for April

PRODUCTION

	April			Four Months		
	1943	1942	Dec.	1943	1942	Dec.
Canada	229,573	277,741	48,168	931,779	1,163,581	231,802
United States	68,001	82,669	14,668	273,508	324,454	50,946
Newfoundland	13,134	25,966	12,832	56,168	109,918	53,750
Total	310,708	386,376	75,668	1,261,455	1,597,953	336,498

SHIPMENTS FROM CANADA

To	1943	1942	Dec.	1943	1942	Dec.
Canada	16,927	16,805	122	63,030	68,697	5,667
United States	204,265	209,419	5,154	802,145	960,854	158,709
Overseas	22,621	12,122	10,499*	64,505	73,580	9,075*
Total	243,813	238,346	5,467*	929,680	1,103,331	173,651

*Increase.

PRODUCTION AND SHIPMENT RATIOS

(Percentage of Capacity)

Production		Shipments	
1943	1942	1943	1942
62.0	75.0	65.9	64.4

SHIPMENTS FROM NEWFOUNDLAND

	April			Four Months		
	1943	1942	Dec.	1943	1942	Dec.
Newfoundland	75	62	13*	313	260	53*
Overseas	5,924	10,914	4,990	9,319	20,513	10,194
United States	14,578	15,932	1,354	53,025	67,967	14,942
Total	20,577	26,908	6,331	62,657	88,740	26,083

*Increase.

STOCKS OF NEWSPRINT ON HAND

	1943	1942	Dec.
Mills—			
Canada	94,084	184,021	89,937
United States	11,079	12,648	1,569
Newfoundland	60,350	50,838	9,512*
Total	165,513	247,507	81,994

*Increase.

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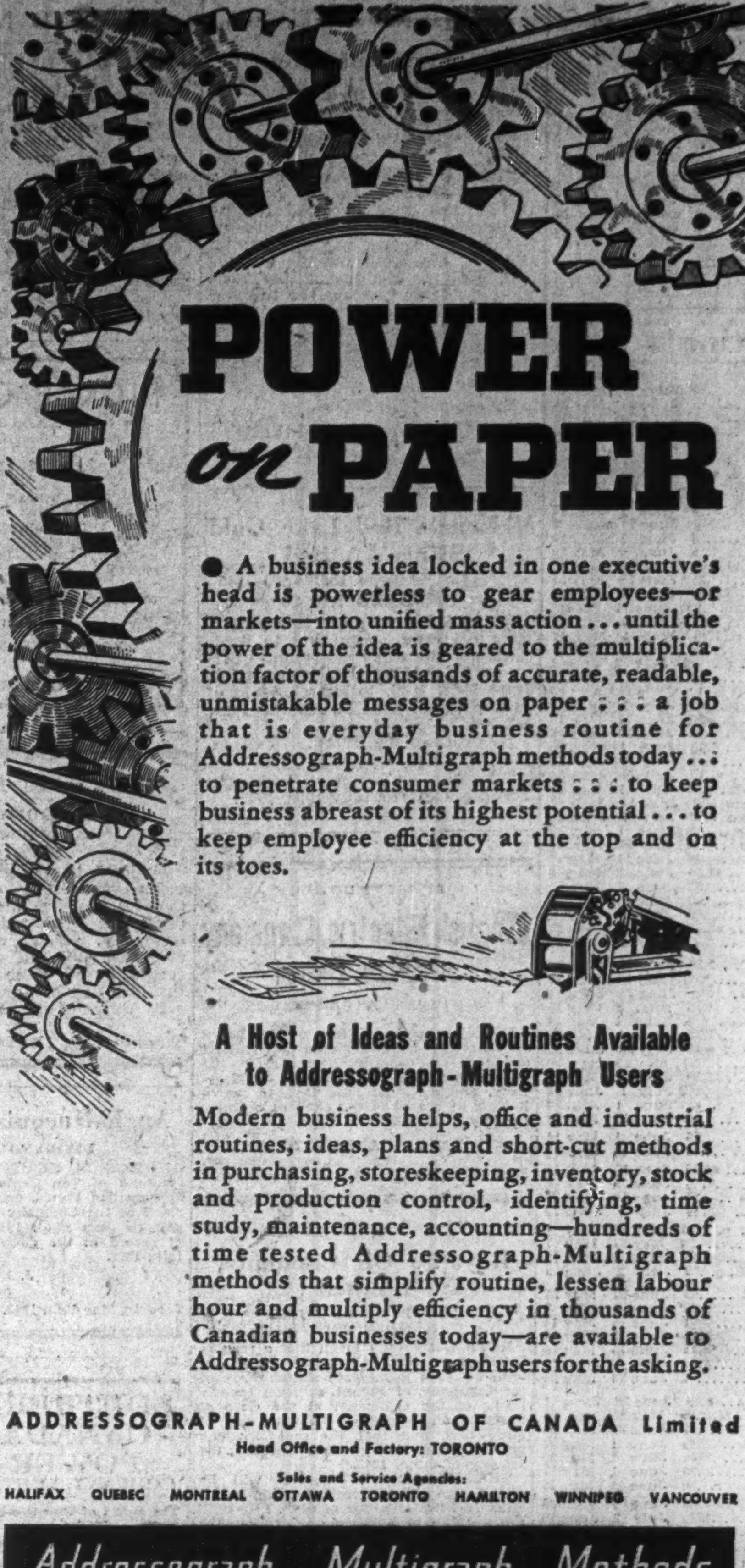
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U. S. Paperboard Output Off; Unfilled Orders Up

Paperboard production in the United States during March dropped off 17.1%, amounting to 544,602 tons compared with 464,951 tons produced during the preceding month.

For the first quarter of 1943 the mills turned out 1,477,394 tons, as against 1,726,541 tons for the like period last year.

Unfilled orders at the end of March totalled 403,904 tons. This is the highest figure reported by the industry since Jan., 1942.

Electrolux Corp. reports for the three months ended March 31 a net loss of $134,682, equivalent to 11 cents a share on the common stock. This contrasts with net profit for the first quarter of 1942 of $192,777, or 15 cents a share.

IMPORTANT FACTS ON PULP & PAPER WAR EFFORT

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